



COPPERSTONE
RESOURCES

Annual Report 2023



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The audited annual report for Copperstone Resources AB (publ), corporate identity number 556704-4168, comprises pages 73-107.

Copperstone has taken great care to translate this annual report into English. In the unlikely event that there are differences in content between the two language versions, the Swedish original takes precedence.

Copperstone's remuneration report is available on the company's website www.copperstone.se.



If you want to know more about the company, visit Copperstone's film archive via the QR code.

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Copperstone in brief

Copperstone aims to become a modern and responsible mining company through the reopening of the Viscaria mine in Kiruna. The deposit's high copper content, estimated mineral resources, geographical location and a growing team of experienced employees provide good conditions for Copperstone to become an important supplier of 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 exploitation concessions and exploration permits in Arvidsjaur (Eva, Svartliden, Granliden) and Smedjebacken (Tvistbo mine).

Preparations for the reopening of the Viscaria mine are currently underway. It is estimated that approximately 30,000 tonnes of copper per year will be extracted when the mine is in operation, making the Viscaria mine one of the largest copper producers in northern Europe. Demand for locally and responsibly produced copper is expected to increase in line with the ongoing climate transition and continued electrification. In the industry, major investments are underway in battery production as well as fossil-free production of electricity and metals – factors that strengthen Viscaria's role in the market.

The company's ambition is for production at the Viscaria mine to start in 2026. The timing of the start of mining is dependent on when the company receives an environmental permit and that the permit gains legal force.

Mission statement

To identify and develop mineral resources in the Nordic region and produce base and precious metals in a long-term and sustainable way in consultation with the local community.

Vision

Responsible mining for a sustainable future.



The year in brief

FIRST QUARTER

- Frida Keskitalo is appointed new CFO of Copperstone
- Norrlandsfonden invests an additional SEK 5.6 million in a convertible debenture in Copperstone.

SECOND QUARTER

- The Land and Environment Court (MMD) announces the company's application for an environmental permit for copper mining in the Viscaria mine on 24 May.
- A directed share issue provides the company with SEK 258 million after deduction of issue costs. Skandia, Handelsbanken Fonder and the Fourth Swedish National Pension Fund become new shareholders.
- The MMD announces a timetable for the environmental permit application, including that the main hearing will start on 30 January 2024 and last for three weeks, with the hearing being held in Kiruna
- Land allocation is granted for the Viscaria mine on 29 June in accordance with the application.

THIRD QUARTER

- Jörgen Olsson is appointed as the new CEO following Henrik Ager's announcement of his resignation. In recent years, Jörgen Olsson has been Executive Chairman of the Board.
- Board member Per Colleen is appointed as the new Chairman of the Board.
- The MMD holds an inspection at Viscaria on 29 September 2023. The inspection is part of the environmental permit application process.

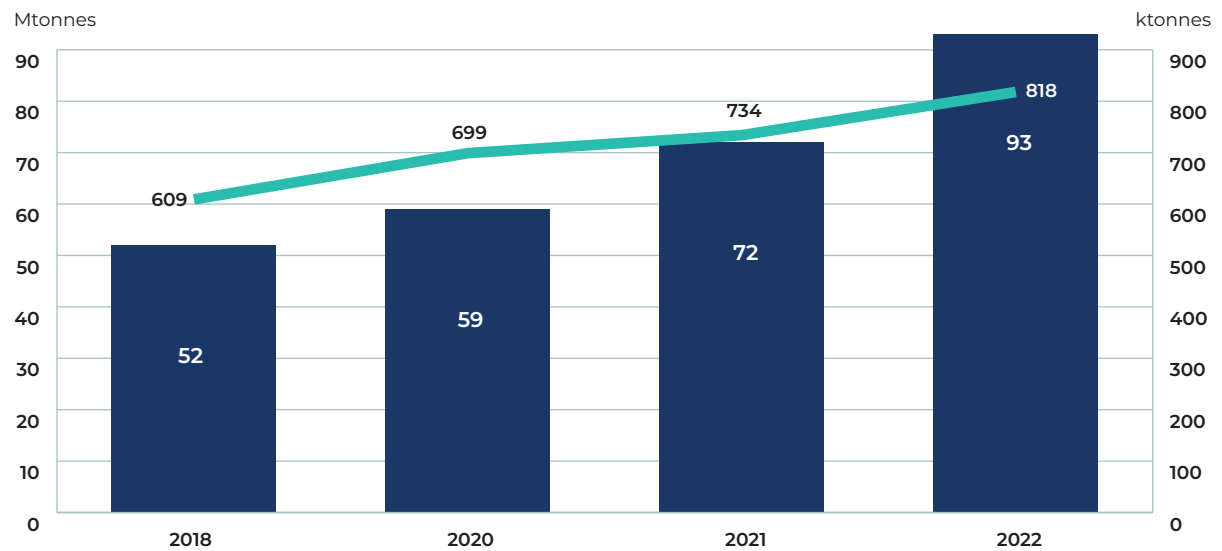
FOURTH QUARTER

- Copperstone is listed on Nasdaq Stockholm on 8 December 2023, after previously being listed on First North Growth Market.
- Consolidation of shares, so-called reverse split, where 20 existing shares became one new share. The first day of trading after the reverse split was 13 December 2023.



Copper resources Viscaria

■ Copper-bearing rock, Mtonnes — Copper, Cu, ktonnes, ^{1,2,3}



1 See www.copperstone.se for detailed information on tonnage and grades in each class and zone of the reported mineral resources.

2 Resource update includes cut-off of 0.25% in A and B zones and 0.4% in D zones due to higher proportion of expected underground mining.

3 Excluding existing tailings pond of 12.7 Mtonnes @ 0.27% Cu, 0.24% Zn, 0.06 g/t Au, 0.87 g/t Ag and 145 g/t Co.

The increased electrification of our society and the need to modernise the current electricity grid are expected to lead to a growing demand for copper



The wells we have drilled confirm that Viscaria is a rich deposit that has the potential to grow further. In other words, there are good conditions for profitable and sustainable mining operations for many years to come.

Jörgen Olsson CEO Copperstone Resources AB





In 2023, we have achieved several significant milestones in Copperstones journey towards solidifying itself as an established company through the reopening of the Viscaria copper mine in Kiruna. We have made progress in the permit processes and are now approaching the final stages of securing the environmental permit, which is very gratifying.

At the same time, preparations for the reopening are continuing in an unabated pace, with processes and methods for future mining operations are being established. In December, we moved to Nasdaq Stockholm's main list and got to ring the stock exchange bell here in Kiruna, which in many ways was a historic day for us.

Favourable conditions for the start of mining

The timing for the reopening of the Viscaria mine continues to look very favourable. Despite the fact that the global economy slowed in 2023 and we saw the highest interest rates we have seen in decades during the year, there is no doubt that the outlook for the copper market remains very bright. The increased electrification of society and the need to modernise the current electricity grid are expected to lead to a growing demand for copper for several decades to come. For us, as a future modern mine operating company with low emissions, the outlook looks particularly favourable. Our location in northern Sweden, with access to fossil-free electricity and excellent transport options via the Malmbanan, means that we are well positioned to become an important player in this market.

Progress in permit processes

Our environmental permit application for the Viscaria mine was proclaimed by the Land and Environment Court in May 2023 and at the beginning of 2024, the main hearing was held here in Kiruna. Prior to the juridical review, interested parties had the opportunity to submit comments and questions, to which we responded on an ongoing basis. It is reassuring that we have clearly focussed on environ-

mental issues right from the start and developed innovative and forward-looking solutions regarding, among other things, water purification and biodiversity. Our innovative water treatment solution has already attracted great interest from both authorities and industry colleagues, which we are very proud of. I am convinced that our solid environmental work will not only facilitate the process leading up to the mine opening, but will also make an important contribution to positioning Viscaria as one of the most sustainable copper mines in Europe.

In mid-2023, we were informed by the Swedish Mining Inspectorate that land allocation has been granted for the Viscaria project. Land allocation is an important announcement and means that mining is the activity that is given priority on the land in question. This means that the end-of-life wind turbines that currently stand in the area will be dismantled and that some compensation will be paid to the affected land and rights owners.

Obtaining environmental permits and land allocations, both of which are critical for starting mining operations, are time-consuming processes. After almost four years of work, we are now approaching the final phase, which feels very encouraging and means that we can increase our focus on detailed planning and preparation for the upcoming operations.

Preparatory studies

In 2023, intensive preparations have been underway for the upcoming reopening of the mine. Our ambition is to be as thorough as possible early in the process and consider all aspects of future mining

operations, from an environmental, technical and economic standpoint. Through careful preparation, the risks related to a mine opening can be significantly reduced. We are assisted by the global consulting firm SRK, which is an expert in the evaluation of mining projects.

At the beginning of 2024, we decided to take the next step and begin to work on a so-called *Feasibility Study*, which will form the basis for future financing and design of the mine. In practice, the work with the study means that we establish our internal processes, such as the choice of mining method, enrichment and logistics, in order to demonstrate that it is profitable to start mining based on the prevailing geological conditions. As part of the Feasibility Study, we will continue drilling at Viscaria to gain even better knowledge of the deposits. In this way, we learn more about the appearance and character of the ore bodies and at the same time meet the requirements for classifying the resources as probable and/or proven mineral reserves. Simply put, the better the data we have in the form of reported mineral reserves, the better terms we will be able to obtain when it is time for us to apply for bank financing.

Experienced organisation in place

In order to realise our plans, it is also important that we succeed in attracting the skills needed. Since I joined Copperstone in 2019, we have gradually built up an organisation with extensive experience by recruiting team members who have previously held key positions in the mining industry, several of which have a strong connection to Kiruna. In this relatively short period of time, we have also established a strong corporate culture that makes us an attractive employer. I would argue that this is a significant difference compared with many other companies that are exploring for deposits, and have been crucial to our success so far.

An important part of this work is our great commitment to the local community – Kiruna and the surrounding area – and the knowledge that we as a mining company need to conduct our business in harmony with our environment. It's both about protecting nature and ensuring access to things such as housing, schools and health care as we grow and employ more employees. One of the initiatives that I have been personally involved in is *Kiruna*

växer which is an association of local businesses, the municipality and associations, all working together to make Kiruna an attractive municipality to live and work in.

Listing on Nasdaq Stockholm

8 December 2023 marked an important milestone for us when we took the step up to Nasdaq Stockholm's main market and got to ring the stock exchange bell here in Kiruna. Ever since Copperstone adopted a new direction in 2019, we have worked purposefully to prepare for a reopening of the Viscaria mine and to establish Copperstone as a mining company. The listing on the main list is an important step in this work. It paves the way for us to eventually broaden the shareholder base and attract more institutional and international investors. In order to promote trading in the company's shares, a reverse split was also carried out in December, where 20 old shares were consolidated into one new share.

Strengthened future prospects

All in all, our progress means that conditions are improving for a successful reopening of Viscaria. The drilling we have done confirm that Viscaria is a rich deposit that has the potential to grow further. In other words, there are good conditions for a profitable and sustainable mining operation for many years to come.

In 2024, the focus is on completing the permit processes while preparations for the reopening of the Viscaria mine continue. We are also planning for additional drilling at Viscaria as part of the Feasibility Study. Furthermore, we will continue to explore our deposits within the framework of the exploration permits we currently have, where we were most recently able to confirm that the Eva deposit in Avidsjaur contains significantly larger resources, primarily of zinc, than previous measurements have shown.

Finally, I would like to take this opportunity to extend a warm thank you to all employees at Copperstone and our close partners who with great commitment contribute to us being able to achieve the high goals we have set ourselves.

Jörgen Olsson
CEO Copperstone Resources AB

Focus areas for 2024

In the coming year, there are four main areas that we focus on at Copperstone.

1. Copperstone is in the final phase of the permit processes and is now awaiting a decision from the Land and Environment Court regarding the company's environmental permit application. Any appeals against the court decision may mean that it will take some time before the environmental permit becomes legally binding. Copperstone has previously received a land allocation for Viscaria.

2. Preparations for a rapid reopening of Viscaria
Copperstone will continue to invest in preparations for a reopening of the Viscaria mine, which in 2024 will include continued exploration in the area and the preparation of a detailed Feasibility Study, describing the different steps in the process from mining to delivery of finished copper concentrate. Thorough preparations reduces the risk of delays later in the process.

3. Further explore deposits
In 2023, Copperstone has concentrated on exploration in the Viscaria area and the planned mining zones A, B and D. Copperstone also has an exploration permit for additional land directly adjacent to Viscaria, which is an area that will be further explored with the aim of increasing resources in Viscaria in the long term. In addition, the company is evaluating the Arvidsjaur project and other Nordic deposits.

4. Financing
Funding will be an important part of the work to come. Work is currently underway to produce a Feasibility Study, which will be the final basis for future financing and planning. The initial investment requirement to reopen the Viscaria mine is estimated to amount to approximately SEK 4.5-5.0 billion. Of this amount, approximately 60 percent is expected to be financed via interest-bearing financing and the remainder in the form of new equity.

1. Based on the calculation made in the context of the resource upgrade published in November 2022.

Copperstone's goals and strategy



Goals

Copperstone's goal is to create the best possible conditions for Viscaria to develop into a sustainable and profitable mining operation. Furthermore, Copperstone continuously evaluates other mine development projects in the Nordic region.

Strategy

The company's strategy is:

- To develop the Viscaria deposit into a modern copper mine that will initially produce approximately 30,000 tonnes of copper per year. Production will take place in a sustainable and environmentally friendly manner using the latest technology and in coexistence with the company's stakeholders, including the local community.
- To further explore the Viscaria deposits to further improve the mine's future economic conditions with higher grades, longer lifetime and thus higher future production volumes.
- To explore the Arvidsjaur area, a potentially very significant source of base and precious metals. A possible mine opening is not planned until after the Viscaria mine has been reopened.

A renewed strategy and a different approach accelerate start-up

In connection with the acquisition of the Viscaria copper mine in 2019, Copperstone was given a new direction and became a significantly larger company. A new strategy was formed for the company to become a modern and responsibly producing mining company in a few years' time through the reopening of the Viscaria mine.

The deposit's high copper content and geographical location offer excellent conditions to become an important supplier of high-quality and responsibly produced copper. The market also continues to develop favourably, with expected future growth in demand from customers driving the global shift towards an electrified society.

Copperstone's strategy and approach differs substantially compared to other similar projects and to what is usually the norm when starting a mining project. Copperstone has chosen to proactively make large investments in preparatory infrastructure even before obtaining an environmental permit. The reason for the investments is to shorten the time between obtaining the permit and the start of production, and to identify any logistical challenges in the preparation phase at an early stage.

The market

Copperstone's operations are primarily focused on the extraction of copper through the reopening of the Viscaria mine in Kiruna. Viscaria is a rich deposit and is expected to become one of the major copper producers in Europe when mining starts. Minerals such as zinc, gold, silver and cobalt are also included in the company's portfolio of assets.

Copper is the third most consumed metal in the world after steel and aluminum. Copper has unique characteristics in terms of heat transfer and electricity and is at the same time corrosion resistant, antimicrobial and malleable.

Copper and copper-based alloys are used today in a variety of everyday applications and thus fulfil an important function in society. The availability of copper is considered to be a crucial factor for the development of society and for climate transition as a whole, in which the transition to renewable energy and electrification are important elements. Society's

use and distribution of resources, and consideration of future needs, are important factors in ensuring sustainable social development.

The global demand for copper is growing. The use of copper has more than tripled in the last 50 years thanks to an increased demand for electronic products, building structures, industrial machinery and equipment, transportation equipment, and consumer products. The underlying driving force is a growing global middle class that makes it possible for more people to use better housing, electronics, their own means of transport and more.



x3

Increase in the use of copper over the last 50 years

The production of renewable energy also requires more copper. For example, an offshore wind turbine contains 8 tonnes of copper per megawatt capacity. An average turbine of 3.6 megawatts thus requires about 29 tonnes of copper, mainly in the form of copper cables, to be able to transmit the electricity to the

grid. The transition to electric vehicles is also driving demand growth, as a battery-powered car contains up to several times as much copper as a car with a traditional combustion engine. The need to expand and renew existing electricity grids is another factor that is expected to drive global demand for copper.



Copper is among the three most widely used metals in the world and large quantities must be mined each year to meet global demand. Copper is also an important component in the transition to renewable energy, which is expected to have a further impact on demand in the coming years.

Copper supply and demand

In recent decades, demand for copper has risen sharply and demand is expected to increase further in the future. The graph *Copper Price Development* illustrates the copper price upturn since the turn of the millennium.

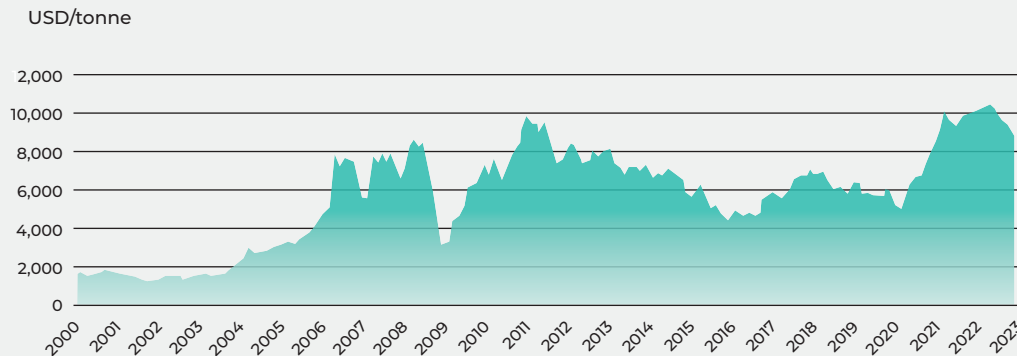
On the supply side, the situation looks even more difficult in the longer term, as average copper grades are falling, in for example Chile, the country that produces the most copper in the world. The Global copper deficit illustrations below shows a potential annual deficit of 6-9 Mtonnes of copper from 2032, which means that it would need to open a number of new mines of the same size as Escondida in Chile, which is the world's largest copper-producing mine with about 1 million tonnes of copper annually. Since this is not considered likely, the copper price should rather rise, all else being equal, which would be the mechanism that adjusts so that the equilibrium between supply and demand is maintained over time.

In Europe, there is still a mismatch between supply and demand, with Western Europe accounting for only 5-6 percent of the world's copper supply and at the same time accounting for about 16 percent of global demand. The figure *European supply deficit increases import dependence*, which is produced by Copperstone together with external

advisors, illustrates European relatively advanced copper projects, which can contribute to a reduced need for copper imports within the EU in the future if and when they are realised. These future projects can be divided into "likely" and "possible" depending on a number of parameters, including the permits that have been obtained (e.g. mineral rights and environmental rights), the current classification according to relevant regulations that each project has, the stage of project development that each project is at (e.g. exploration, Scoping Study, Feasibility Study or financing phase). Of the European future copper projects shown in the figure *Swedish copper is crucial for reducing the EU's import needs* 54 ktonnes of copper in concentrate per year can be classified as probable projects. Of these 54 ktonnes, Copperstone's project accounts for 30 ktonnes of copper in concentrate per year, and projects run by other companies in Europe are expected to account for the remaining 24 ktonnes of production of "pure" copper per year.

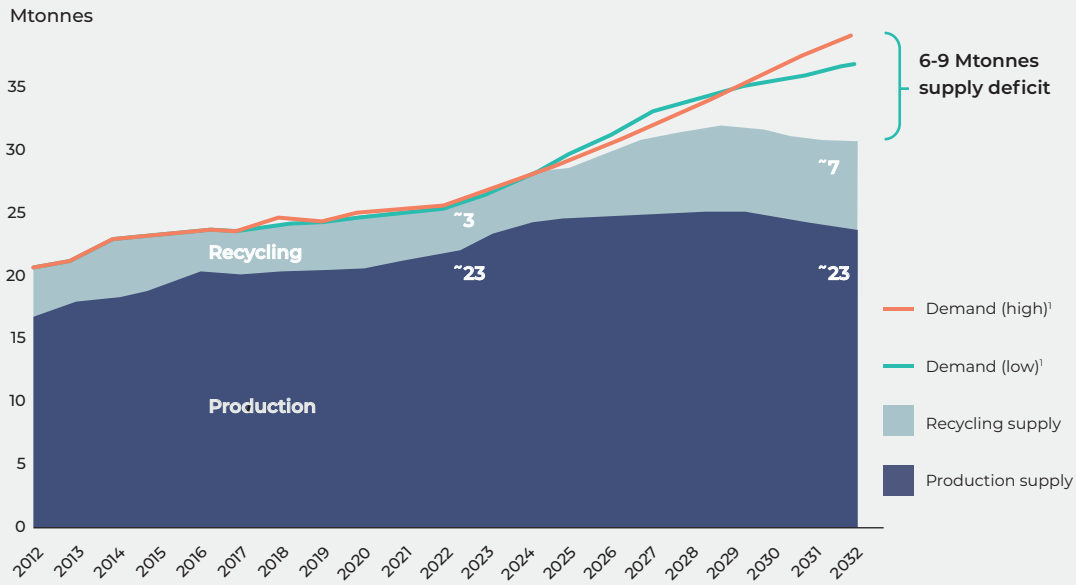
It is possible to discern a negative trend in European primary copper production in terms of probable and possible future copper production (i.e. excluding existing production), despite a growing supply deficit. When fully operational, the Viscaria mine could account for more than 0.1 percent of global copper production.

Copper price development 2000-2023

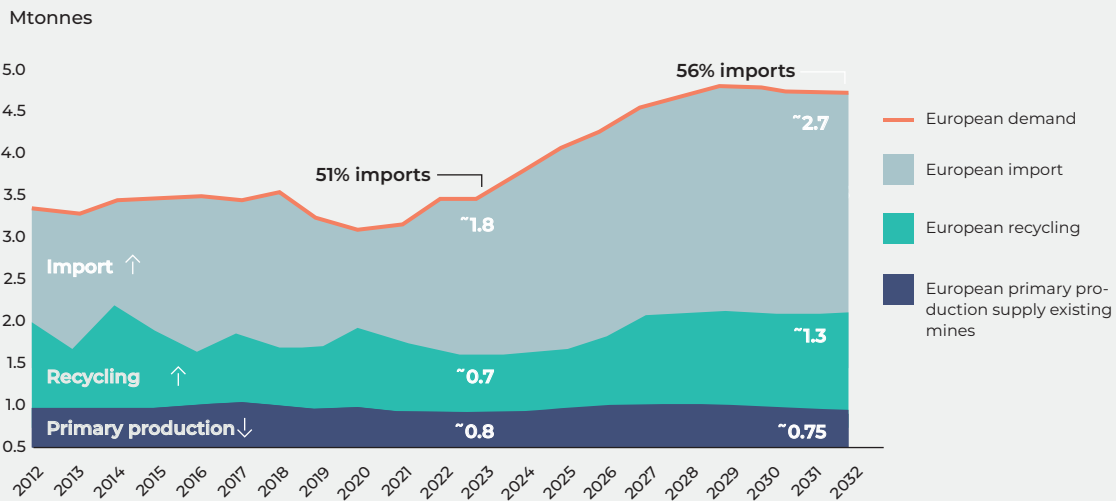


For detailed information about Copperstone and the Mineral resources for all minerals for the company, see the Mineral Asset Table on page 51.

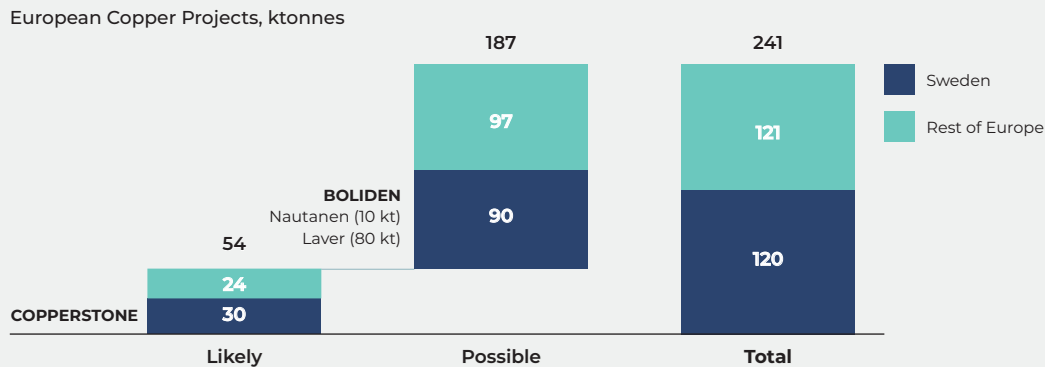
Global copper deficit by 2032



European supply deficit increases import dependence



Swedish copper crucial for reducing the EU's import needs



Copperstone's position in the market

The global supply of copper amounts to approximately 22 million tonnes per year (“The World Copper Factbook 2022”). The nation with the highest copper production in the world is Chile with the world's largest copper mine, Escondida, which produces more than 1 million tons of "pure" copper per year.

The Polish mining company **KGHM** is the largest producer in Europe. In total, KGHM produces approximately 400 ktonnes of copper per year, making the company the sixth largest copper producer globally.

In Sweden, Boliden is the largest producer, whose Aitik mine produces about 80 ktonnes of copper per year. With a planned production of approximately 30 ktonnes per year in Viscaria, Copperstone will be the second largest copper producer in the Nordic region and also a significant producer seen from a European perspective.

Against the backdrop of growing demand for responsibly produced copper, the Viscaria mine will be well positioned. In the EU, the demand for copper is significantly higher than the supply, with more than half of the copper used today being imported from outside the EU. Imports are expected to increase further in the years to come. At the same time, the demand for locally produced goods is increasing in most industries, not least from a sustainability perspective.

Copper producers

Million tonnes per year



2 MineSpans

Major investments in climate-smart solutions in northern Sweden

Copperstone's position is also interesting from another perspective. In recent years, both LKAB in Malmberget and SSAB in Luleå have launched major investments for the future and invested billions in fossil-free production of iron ore and steel. In addition, H2 Green Steel is planning for modern and sustainable steel production in Boden. Battery manufacturer Northvolt has established a new, large factory in Skellefteå. In addition, a number of different mining projects are underway in the region, including LKAB's recently announced deposits of rare earth elements in Kiruna. All these initiatives show that the region is at the forefront of sustainable production of metals and climate-smart solutions for electrification and a fossil-free transition. The investments are considered critical for Europe's self-sufficiency in minerals and metals in a world of increased geopolitical turmoil and increased demands for more sustainable value chains.

Viscaria aims to be in the top tier of sustainable mines

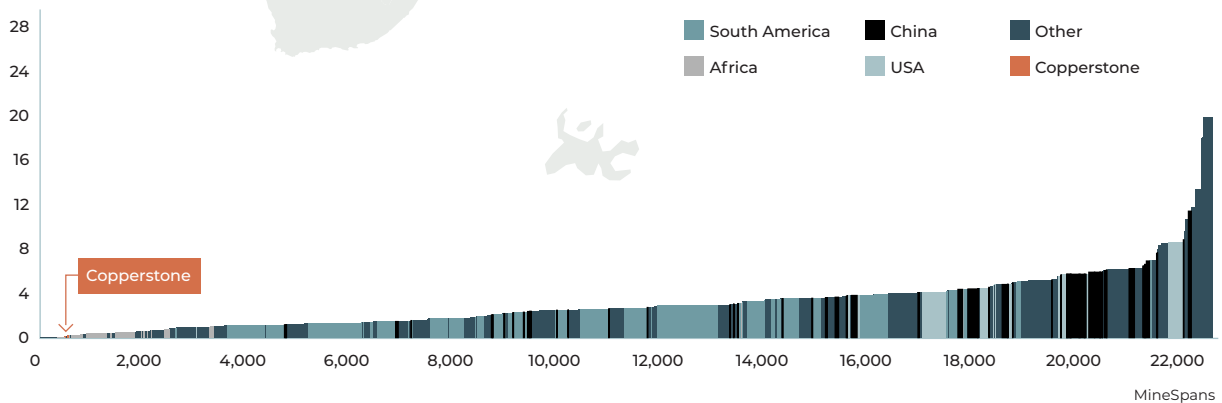
Copperstone's vision is to conduct responsible mining for a sustainable future. This means that the company plans to pursue ambitious responsible work to ensure future deliveries of sustainably produced copper. Ensuring a sustainable value chain and end product is considered to be strategically very important. Through energy-efficient equipment, fossil-free energy sources and proximity to the Malm-banan, Viscaria has the opportunity to become one of the leading copper mines in the world in terms of low carbon dioxide emissions.

The graph below shows carbon dioxide emissions from the world's copper mines in scope 1 direct emissions and scope 2 indirect emissions. Estimated carbon dioxide emissions from Viscaria are expected to be low, which means that which mean that the mine, once opened, will be among the most climate efficient copper mines in the world.

Read more about Copperstone's sustainability work on pages 36–47.

Scope 1 & 2, CO₂ equivalent emissions from the world's mines in 2020

tonnes of CO₂



Viscaria

Since the late 1990s, the world's demand for copper has doubled, which means that Viscaria's assets are once again in demand. When Outokumpu closed down operations in 1997, there were 3 million tonnes of copper-bearing rock in Viscaria. The corresponding figure of the exploration wells made in Viscaria today amounts to 93 million tonnes of copper-bearing rock and could correspond to a production of approximately 30,000 tonnes of copper in concentrate per year. The Viscaria mine can thus become one of the largest copper producers in northern Europe.

History

The Viscaria mine in Kiruna was discovered in the 1970s and during the years 1982 to 1997 mining was conducted by previous owners. At that time, production consisted of copper ore from the so-called A zone and occasional mining areas of the so-called B zone. Mining took place mainly underground, but also to some extent in open pits. Mining operations were first carried out by LKAB, which then sold the mine to the Finnish company Outokumpu. The mine was closed in 1997 and has not been in operation since. When Copperstone acquired the Viscaria mine in 2019, it had been closed for over 20 years, which among other things had meant that groundwater had penetrated and filled the old underground mine. In the same year as the acquisition was completed, exploration of the area began. Since then, extensive exploration investments have been made and by the end of 2023, over 100 kilometres had been drilled and 93 million tonnes of

copper-bearing rock secured, which is an increase of almost 80 percent compared to estimates made at the time of the acquisition in 2019.

Excellent conditions

The advantages for the Viscaria mine are many and Copperstone has identified a number of characteristics that make the area particularly suitable for mining operations. Logistics, mining jurisdiction and metal grades are the factors that are often considered to be the most crucial factors in creating the conditions for a successful mining project. The Viscaria mine is located just three kilometres from Kiruna, a place with historical traditions in metal extraction and mining, where LKAB is the city's largest employer. The local acceptance and broad mining expertise is advantageous for Copperstone, both in terms of recruitment, during preparation and when the mine is operational.



The proximity to the E10 motorway and the Malmbanan (railway), both of which stretch between Luleå in the east and Narvik in the west, is a great advantage for future transport and logistics flows. Malmbanan is fully electrified, which means that the transport of future copper concentrates can take place with low emissions. Together with good access to fossil-free energy in the immediate area, mainly in the form of hydropower, Viscaria will be able to conduct low-carbon operations.

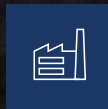
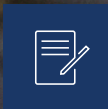
Viscaria is already planned as an industrial area for mining. Within the framework of the company's environmental permit application, Copperstone,

together with external expertise, has made the assessment that the future operations will have a limited effect on biodiversity, tourism and reindeer husbandry. The company also has a solid plan to minimise the impact on the local environment, among other things by restoring the affected landscape and a state-of-the-art water treatment plant. The fact that the Viscaria mine has been in operation for many years means that the land is already affected by previous operations.

In addition, there is infrastructure left underground in the Viscaria mine, including up to 65 kilometres of mine tunnels.

Timetable for the reopening of the Viscaria mine

Copperstone estimates that the enrichment of copper in its own enrichment plant will be able to start at the end of 2026 at the earliest. The timetable is dependent on the company obtaining an environmental permit, and that the environmental permit gains legal force. Read more under environmental permits in the next chapter.



2021

- The Government grants an exploitation concession for Viscaria k no. 7

2022

- Environmental permit application is submitted to MMD on 30 March
- Planning for construction, industry and logistics
- The Viscaria Passage is built – a bridge crossing the E10 that facilitates entry into the Viscaria area

2023

- MMD proclaims environmental permit application on 24 May
- Land allocation is obtained for Viscaria
- Inspection before the main hearing took place on 29 September

2024

- Main hearing in Kiruna 30 January – 21 February
- Possible granted environmental permit with an enforcement order in April
- A granted environmental permit can be appealed to MMÖD, then to the Supreme Court
- Dewatering of underground mine
- Preparatory work on infrastructure starts

2025

- Water treatment plant and sludge landfill are built
- Work on the construction of railway yard and interim storage
- Construction of enrichment plant, tailing ponds and infrastructure begins

2026

- Continued construction of enrichment plant, tailing ponds and infrastructure
- Possible mining of raw materials
- First copper concentrate from own plant
- Production at enrichment plant starts



Environmental permits

Copperstone's application for an environmental permit to resume mining operations at the Viscaria mine was submitted to the Land and Environment Court (MMD) on 30 March 2022, and was proclaimed on 24 May 2023. The application contains Copperstone's description and ambition of responsible, modern mining through the use of the best available technology for mining operations, in the enrichment plant and in transport and logistics solutions. In total, the application comprises of approximately 4,000 pages and includes a plan for innovative water management and purification, recycling of valuable minerals in old mining waste, as well as expected effects, protective measures and compensatory measures for nature and reindeer husbandry.

The permit process

Mining operations are defined as a so-called A-activity, which means that it is MMD that processes and decides as the first instance in the permit process. The previous operator, Finnish Outokumpu, closed down operations in the Viscaria mine in 1997 and partially remediated the mine, the industrial area, the waste rock heap and the tailing pond. There is no valid environmental permit today and Copperstone has therefore had to apply for a completely new environmental permit for the planned operations.

The technical description, which is one of the annexes to the environmental permit application, describes the production conditions applied for and the environmental impact assessment report assesses the environmental impacts of the operations defined in the technical description.

The company has proposed protective measures and other conditions that mean that the operations are deemed to have a reasonable environmental impact. The court has to assess whether the activity can be considered permissible and issues a permit through

a judgment which, together with conditions, shall apply to the activity. The court may also, under certain conditions, postpone questions on final terms. Judgment is normally issued within approximately two months of the conclusion of the hearing.

Main hearing in Kiruna in February 2024

MMD conducted a so-called on-site inspection at the end of September 2023, and during the autumn, correspondence has been ongoing in which the company has responded to comments received. The main hearing was held in Kiruna on 30 January to 21 February 2024. The company is now awaiting a verdict from the MMD, which is expected to be announced on 22 April 2024. The judgment can then be appealed to the Land and Environment Court of Appeal and then to the Supreme Court, which is the court of final instance. In order for an appeal to be admissible by one of those courts, the court in question must grant leave to appeal. If the MMD's decision cannot be appealed further, it becomes final.

A permit must become final in order for it to be used. However, the court may, under certain conditions, order that all or part of the activity may commence before the judgment has become final by decision of an enforcement order. The decree means that time-critical processes can begin, such as the drainage of the old mine, and that any appeal does not have to lead to major delays in the start of production. Should the company begin these time-critical processes before the environmental permit has gained legal force, it is associated with a restoration liability, which may, for example, mean that the company becomes liable for compensation for the restoration of the affected area, if the judgment is appealed and the appeal process is successful to the company's disadvantage.

Peter Wihlborg

Head of Environment & Sustainability

With genuine environmental and sustainability approach in place right from the planning stage, there is a desire to do it right from the start. It is about minimising the negative impact on nature and society.

What attracted you to the role of Head of Environment and Sustainability?

This is the first time that I, who have extensive experience of environmental issues and permit processes, have come into contact with a start-up industrial company that wants to do the right thing from the start in such a profound way. I was struck by how the CEO and the Board chose to fill all the important positions early in the process in order to be able to structure the work in the right way. It is quite unique that even at the planning stage, there's a clear emphasis on the necessity of genuine environmental and sustainability efforts for the business.

Applying for an environmental permit is an extensive process with many steps. What have been the biggest challenges so far?

We have had to show that we are doing what we can to reduce the negative impact of mining operations on nature and society. We think that we have succeeded in solving the major challenges in a very good way, including the purification of mine water and the planning for geomorphological remediation that helps nature to recover both during and after the end of mining operations.

Among those who are less positive about mining activities are nearby Sami villages. How do you ensure that the rights of the Sámi people are taken into account?

We have tried to adapt the activities to have as little impact on nearby natural areas as possible. Our proposal includes additional protective fencing, compensation


for loss of reindeer grazing and changing the route of the affected migratory route. We would have liked to have had a dialogue with the Sámi communities about practical solutions at an early stage, as it could probably have led to even better solutions than those we have now proposed.

The court has announced that the judgement will be issued on 22 April, what is the process after that?

The court's decision may take different forms. We hope to have so-called enforcement as early as this spring, which would mean that we can begin parts of the practical preparations for the mine opening even before the decision becomes final. If any party wishes to appeal the decision, the Land and Environment Court of Appeal decides whether the party should be given the right to appeal.



Preparing for reopening

A close-up photograph of a person wearing a high-visibility yellow and black safety jacket and black gloves. The person is pointing their right index finger at a geological map or plan. The map is held open and shows various colored regions (red, blue, yellow) and lines representing geological features. The background is slightly blurred, showing other people in similar safety gear, suggesting a field or office setting. The overall scene is focused on the technical work of preparing for a mine's reopening.

Early on in the planning of a mine, it is important to understand the bedrock conditions as this affects the choice of mining method. This applies regardless of whether it is an open pit mine or whether the mining is to take place underground. In 2023, close to 62,000 metres of core drilling were carried out, which made a major contribution to increased knowledge of the deposits. In order to be able to plan the future mining operations in detail, Copperstone is conducting extensive studies, which significantly reduces the risk associated with the reopening.

Detailed studies

In close collaboration with the consulting firm SRK, Copperstone has in 2023 worked on a Pre-Feasibility Study (PFS) – which aims to determine the mining method and an efficient process for the production of copper concentrates. The study is based on results from drillings and forms the basis for an analysis of the mine's financial conditions. By increasing the level of awareness, Copperstone can convert mineral resources to probable and/or proved mineral reserves. The classification is made by an independent party, a so-called competent person, which ensures that the study maintains the highest standard and is as reliable as possible.

In 2024, Copperstone will continue the work of developing and refining the analysis in the form of a Feasibility Study, in accordance with PERC Standard's requirements for reporting of mineral resources. Among other things, additional core drilling will be carried out, primarily in the D-zone, to increase the level of awareness. With increased awareness, the design of the underground mine can be optimised to best adapt to the appearance and character of the mineralisations. The study also includes such things as stability in the mine tunnels and the location of infrastructure. The analysis is carried out through analytical and numerical modelling in combination with empirical assessments and expert opinions. The Feasibility Study will then be a complete basis for future decisions on design and financing.



Exploration

In recent years Copperstone has gradually accelerated the pace of exploration ahead of the planned reopening of the Viscaria mine in Kiruna. Since the acquisition of the Viscaria mine in 2019, the company has carried out over 100 kilometres of core drilling, supplemented by the collection of additional data from geophysical ground and aerial surveys, moraine samples (chemical tests of gravel and rock lying on top of the bedrock) and so-called RC drilling, a common drilling technique in exploration where the drilling generates a sample for different depths in the form of rock fragments, so-called drill cuttings, instead of a drill core.

In 2023, the focus of the investigations was on infill drilling, which aims to increase the level of knowledge of the deposits. Among other things, copper sulphide mineralisation in Viscaria's A, B and D zones has been investigated. The results have been encouraging and will be used to extend the economic life of the mine.

The newly added drilling information is analysed, interpreted and compiled in an updated geological model. New standardised estimation techniques have been applied which will form the basis for the upcoming update of the mineral resources as part of the Feasibility Study. The methodology follows the latest PERC standard.

During the year, exploration wells were also drilled in areas adjacent to Viscaria. Several interesting ideas have been investigated, including drilling within the framework of the Viscaria No. 107 exploration permit as a follow-up to previous geophysical surveys. The results have been analysed and are expected to add additional assets to the company as part of the company's long-term geological strategy.



Anna Tyni

Deputy CEO

Predominantly positive reactions among Kiruna residents to Viscaria starting up again. A partially changed landscape means that snowmobile and hiking trails are being rerouted.

How have the people of Kiruna reacted to the news that Viscaria will be open again?

Almost daily, I am met with positive reactions from people who are curious about how things are going for us in the work of reopening Viscaria, even though it means that the local environment here in Kiruna is affected. The Viscaria area will be fenced off, snowmobile and hiking trails will need to be rerouted and there will be more movement inside the mining area than today.

How will the Viscaria mine affect the landscape? Should the ore be mined in an open pit or underground?

We will conduct underground mining in all ore zones. In addition, there will be some open-pit mining in the A and B zones. Below Ädnamvaara, west of Kiruna, the view will acquire new facilities: a concentrator, a new tailings pond and a waste rock deposit. The landfills for our waste rock storage will be designed to blend in with the surrounding landscape, which will also contribute to a faster ecological recovery.

You will need to have significantly more employees – over 200 new positions will be filled before the mine is put into operation in 2026. Do you see any challenges regarding your need for recruitment?

Perhaps the biggest challenge in our region is to find good accommodation. The shortage of housing in Kiruna is still a major bottleneck for many companies with recruitment needs. So far, we have

received over 400 unsolicited applications via our website, which is very positive and shows that we are an innovative mining company that attracts interest.

You have an ambitious timetable – the new mine will be operational as early as 2026. What do you see as the biggest challenges in being able to adhere to that timetable?

Copperstone's timetable is based on our environmental permit gaining legal force before the end of 2024. This is because it takes about two years to build an enrichment plant, which is the most time-critical part to get ready for the start of production. It also takes time to drain the water from the old underground mine. Through careful preparation, the risks are reduced later in the process.



Enrichment

Copperstone plans to build an enrichment plant adjacent to the Viscaria mine with the aim processing the ore and sell end products. The enrichment plant creates the opportunity to sell a more refined product, which is advantageous from both a financial and environmental perspective. The water used in the enrichment process is reused, recirculated and purified before it is discharged to the recipient.

Planning of the pre-design for process, construction and plant electricity and automation in the enrichment plant has continued in 2023, as part of the Feasibility Study. The pre-planning is done in partnership with experts in the respective areas in terms of, for example, digitalisation, electricity, automation, AI and more. The pre-planning includes relevant key figures for the plant and enrichment regarding, for example, production efficiency and traceability.



From mine to copper concentrate

Primary crushing and ore handling When the ore comes from the mine, it is first crushed before it goes on to the enrichment plant or is placed in interim storage.

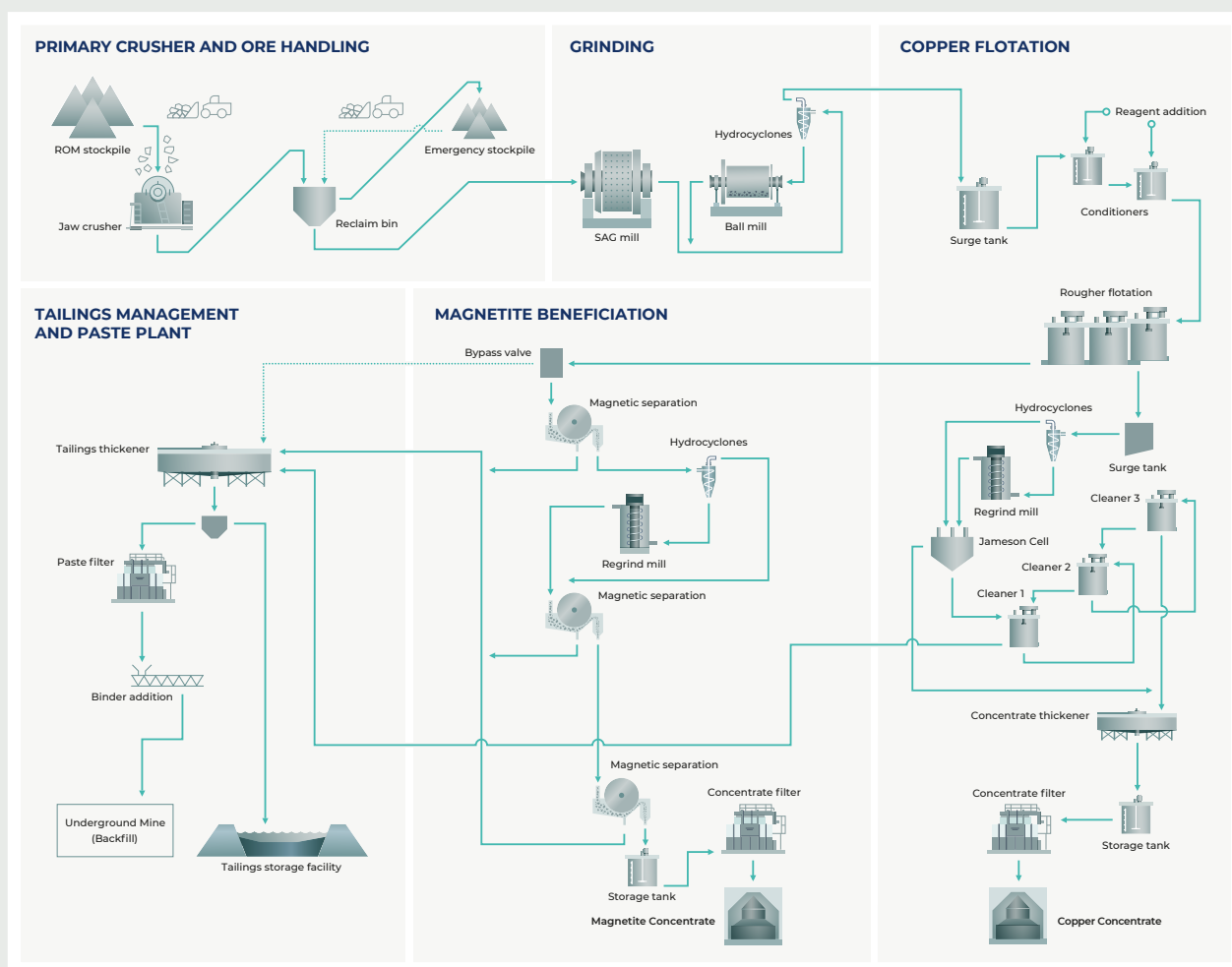
Grinding The crushed ore is ground in two stages to make it more fine-grained.

Flotation To separate copper from the ore, a flotation process is carried out in several steps. By adding water, chemicals and air bubbles, the copper grains are separated from the ore. The water is then removed. After completion of the process, a copper concentrate has been formed that is ready to be delivered to the customer.

Magnetite beneficiation The ore that remains after copper has been extracted undergoes a multi-step process in which the iron content is extracted in the form of magnetite. The last step is to remove water and then a finished magnetite concentrate has been formed that is ready to be transported to the customer.

Tailings The minerals and elements that do not contain copper or iron become waste, so-called tailings. The tailings go into a tailings pond or are reused as rock reinforcement in the mine, so-called backfill.

Process flows of future enrichment plants



A full description of the planned concentrator can be found in the environmental permit application on Copperstone's website.
 Source: Copperstone and Ausenco Services Pty Ltd, 2023

Infrastructure

In order to resume mining operations in the Viscaria mine, a number of different preparatory measures are required in the infrastructure. The mining area is located close to the E10 motorway and the Malm-banan, which means good conditions for transport to and from the mining area. In 2022, the so-called Viscaria Passage, a bridge crossing the railway, was built to facilitate entry and exit to the area. In addition, a grid station has been installed and a pilot project for water purification has been ongoing since 2022. These measures have been taken to ensure that Copperstone is as prepared as possible for the granting of an environmental permit.

Electric power

To enable continued development of the infrastructure in the area and create good conditions for planned mining operations, work to secure electrical power at the Viscaria mine continued in 2023. There is already a need for electricity in the area to run the water treatment pilot and is expected to increase when construction of the enrichment plant and the emptying of water from the mine begins. Copperstone's power grid is connected to Vattenfall's 10 kV grid and a total output of 2.0 MW can be delivered via this connection. The design and

construction of the high-voltage transformer station and switchgear and operation of the entire mine has begun in collaboration with Vattenfall, ABB and local partners. The goal is to have a power supply from 130 kV on a total output of 70 MW ready in the autumn of 2026.

Water purification

The Viscaria mine is currently filled with contaminated water due to the previous mining operations that were conducted. At present, the mine releases this metal-containing water to nearby watercourses at a rate of about 100 m³/h. In the autumn of 2022, Copperstone installed a pilot plant for water treatment to show that the company will have the ability to purify both the metal-containing water that is currently in the Viscaria mine and the water that will be discharged when the mine has been in operation. The pilot plant is designed to purify 100 m³/h, which corresponds to about a tenth of the volumes that will be purified before and after the start of production.

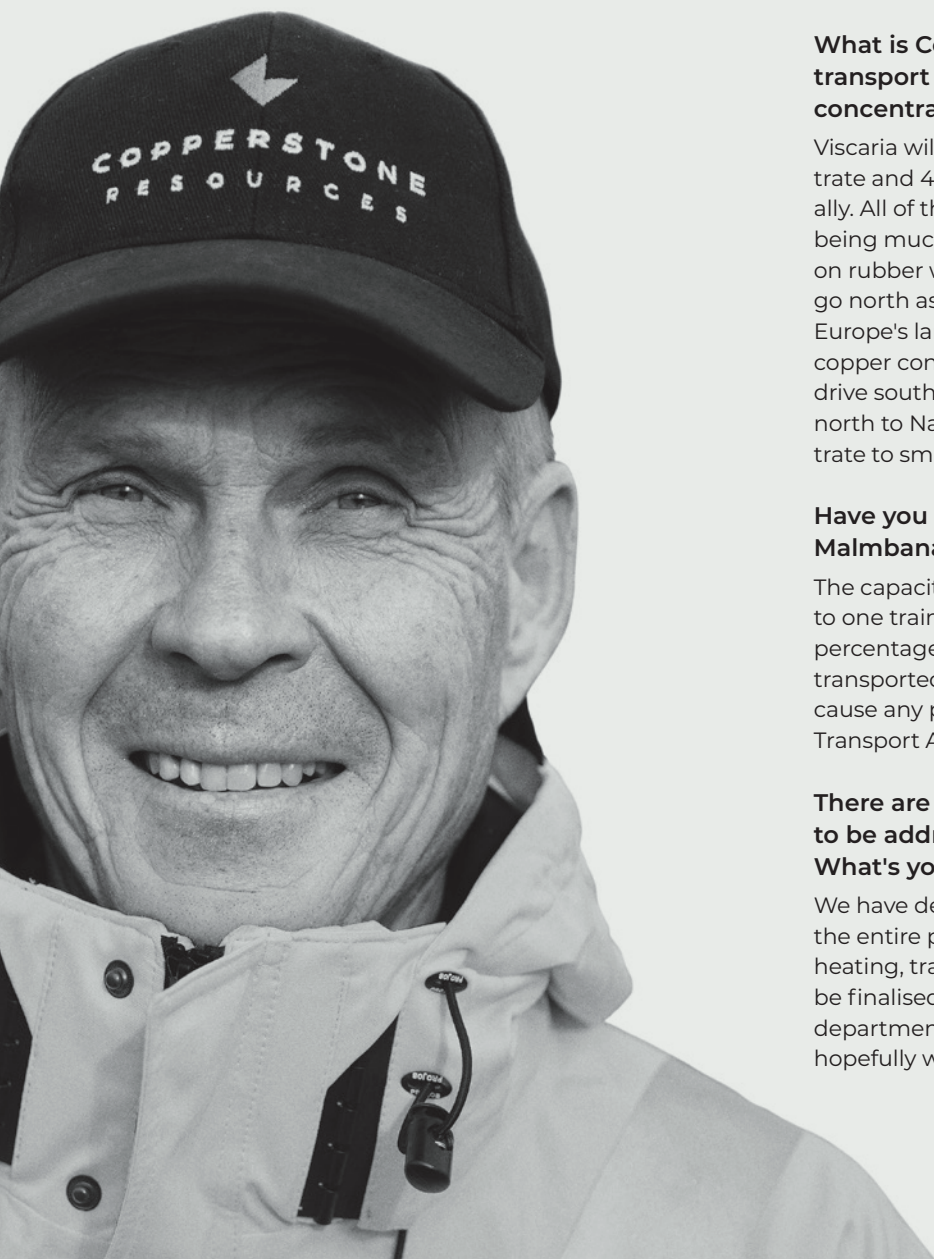
Studies show that the pilot plant can reduce the occurrence of metal contaminants by up to 97-99 percent in the mine water that currently flows into nearby watercourses.



Thomas Nordmark

Head of Infrastructure and Logistics

A functioning infrastructure, such as transport routes and access to electricity, is necessary for the reopening of the Viscaria mine to stay on schedule. This requires good foresight.



What is your focus to ensure that the necessary logistics and infrastructure are in place for the reopening of the Viscaria copper mine?

When working with infrastructure, it is important to plan well in advance. That is why we have already built our own entrance to Viscaria with a bridge crossing the Malmbanan. We also have a pilot plant in operation for water treatment and have installed electrical power to cover the need for this during the construction phase. To ensure connection to the Malmbanan and future electricity supply, we have already signed agreements with the Swedish Transport Administration and Vattenfall respectively. I feel confident that we are well prepared.

What is Copperstone's strategy to eventually transport thousands of tons of copper concentrate and iron ore?

Viscaria will produce 140,000 tonnes of copper concentrate and 450,000 tonnes of iron ore concentrate annually. All of this is meant to be transported by rail due to it being much more durable and efficient than transport on rubber wheels. As for the iron ore, it will most likely go north as it is logistically most efficient and Narvik is Europe's largest shipping port for iron ore. As far as the copper concentrate is concerned, it is possible to either drive south directly to the smelter in Skelleftehamn, or north to Narvik and by boat we can deliver the concentrate to smelters within the EU.

Have you ensured that there is capacity on the Malmbanan for Copperstone's transports?

The capacity requirement from Copperstone amounts to one train per day, five days a week or expressed in percentage, about three percent of what is currently transported on the Malmbanan. This will in no way cause any problems according to both the Swedish Transport Administration's and our own analyses.

There are also other infrastructure issues to be addressed, such as electricity and water. What's your plan?

We have developed preliminary design proposals for the entire power supply, water and sewage systems, heating, transport in the area, etc., which only need to be finalised with the needs of our mining and process department and the environmental permit that we hopefully will receive in 2024.



Other projects

In addition to Viscaria, Copperstone owns two other mineral development projects in Sweden – in Arvidsjaur and in Smedjebacken. In Arvidsjaur, Copperstone has conducted core drilling campaigns between the years 2015-2022, mineral resource assessments have taken place in 2016 and 2018 and most recently in February 2024 when a resource upgrade of the Eva deposit was presented. No core drilling activity has taken place in Smedjebacken during this period.

Arvidsjaur

Since 2010, Copperstone has owned the Arvidsjaur project following an acquisition from Lundin Mining Exploration. The area is located north of the internationally renowned mineral district of the Skellefte field. The company holds two exploitation concessions and four exploration permits in Arvidsjaur.

The project spans over hectares in an area with a history of exploration dating back to the 1920s. The area is divided between the three deposits Granliden, Svartliden and Eva. Systematic core drilling was not carried out until the early 1970s, when Boliden Mining began to explore the area. In total, Boliden

drilled more than 100 holes, corresponding to a total of approximately 12,000 metres until 1978. Lundin Mining then began exploring the area in 2004, drilling nearly 140 drill holes and over 22,000 metres. Copperstone has explored more than 15 kilometres. These core drillings have resulted in an inferred resource of 26 Mtonnes of copper, zinc, silver and gold-bearing rock (according to PERC Standard 2017) in the Granliden and Svartliden areas. In addition, in accordance with the PERC Standard 2017, two separate competent persons have determined a comprehensive exploration target of 150-210 Mtonnes of copper-bearing minerals at Granliden. In February 2024, a resource upgrade of the Eva deposit was



presented in accordance with the latest PERC Standard 2021. The Eva deposit has been confirmed in the new geological understanding to consist of two mineralised domains: a zinc-gold (Zn-Au) domain and a gold-copper (Au-Cu) domain. The gold-copper domain is a feeder zone (area from which the mineralisation is considered to originate). The upgrade shows an increase in the mineral resources of the Eva deposit by approximately 50%, from 5.15 Mtonnes to 7.76 Mtonnes. Including the upgrade of the Eva deposit, the total mineral resources in Arvidsjaur now amount to 34 Mtonnes of copper-, zinc-, gold- and silver-bearing rock.

In addition to close access to infrastructure, the geological and geographical location of the Arvidsjaur project is favourable as it is close to known porphyry copper or porphyry copper-like deposits; such as Boliden's Aitik mine and the Laver project. As a result, Copperstone continues to investigate the Arvidsjaur project in parallel with the development of operations at the Viscaria mine.

The Tvistbo mine in Smedjebacken

Copperstone's third mineral development project is the Tvistbo mine in the municipality of Smedjebacken in southern Dalarna, where Copperstone

has an exploitation concession that runs until 2037. The Tvistbo mine also has a long exploration history. In some of the older areas, mining has been going on to varying degrees during different periods since the 1700s. The Tvistbo mine was in production as early as the 1500s and the most recent mining took place during the war years 1942–1945. Since then, exploration in the area around Tvistbo has been carried out by, among others, Rederi AB Nordstjernen (Johnson) from 1961 to 1978, AB Statsgruvor, NSG and LKAB Prospektering AB from 1978 to 1985, and has focused on iron ore and sulphide ore, primarily zinc, silver and lead. The Tvistbo mine has been investigated with a total of 38 core drill holes. Based on the results of these, an estimate of the mineral resources has been made by a competent person and is considered a historical resource according to the PERC Standard 2017. Down to a depth of 180 metres, the indicated mineral resources amount to 575 ktonnes with 3.3 per cent zinc, 2.6 per cent lead and 22 grams/tonne silver. In addition, there is an inferred mineral resource of 280 ktonnes with 3 per cent zinc, 2.5 per cent lead and 20 grams/tonne silver.

No active exploration has taken place at the Tvistbo mine during 2022–2023. Copperstone's exploitation concession is valid until 17 April 2037.

Sustainability at Copperstone

Copperstone's vision is to conduct responsible mining activities for a sustainable future. This means that the company will take responsibility for its environmental, social and economic impact on the environment right from the start.

It is therefore necessary that detailed work is done before the environmental permit is in place, which also creates the best possible conditions for making well-informed decisions going forward. When in operation, the mine will be one of the leading copper mines in the world in terms of low carbon emissions. The mine will also help increase the supply of locally produced copper concentrate for the European market. Copperstone conducts activities where credibility and transparency are key words, something that also is emphasised in the company's sustainability work.

During 2023, Copperstone has worked with compliance and followed up on the focus areas and goals that were adopted at the beginning of 2022.

Management

The Board of Directors has the ultimate responsibility for ensuring that Copperstone conducts responsible activities and that the company lives up to the expectations of its stakeholders. The strategic responsibility lies with the management team and includes developing relevant focus areas, goals and their implementation. All employees have a responsibility to be aware of the company's sustainability work, vision and goals, and to have an understanding of how they are implemented in the business. The entire organisation has a shared responsibility to work to achieve the set sustainability goals and, in the long run, contribute to sustainable development. There are also increased requirements from the EU in the form of the EU Taxonomy and the Corporate Sustainability Reporting

Directive (CSRD), but also from investors who demand information about sustainability risks and opportunities, among other things. Copperstone aims to be at the forefront of its environmental work and thus meet these requirements and expectations. At present, the company is not covered by the EU Taxonomy and CSRD, but Copperstone is following the development continuously. To ensure compliance in accordance with what has been communicated and that laws and regulations are followed, a number of policies are in place. All policy documents are available on the company's intranet.

Operational policies

- Health and safety
- Quality
- Environment
- Victimisation
- Alcohol and drugs
- Rehabilitation

Corporate policies

- Rules of procedure for the Board of Directors
- CEO instruction
- Insider policy
- Information and communication policy
- Related party transaction policy
- Financial handbook
- Financial policy
- IT policy
- Information and security policy

Copperstone has adopted a Code of Conduct that applies to all employees, management and the Board of Directors. The Code of Conduct is a guide to the company's values and describes how employees are expected to act in certain situations, both towards each other and in their capacity as representatives of Copperstone.

In order to identify any misconduct within the company or in relation to the company's collaborations and partners, such as violations of laws and regulations or behaviour that violates the Code of Conduct, a whistleblower function has been established. The whistleblower function is available to everyone on the company's website.

Stakeholder dialogue and business intelligence

During 2023, Copperstone has continued the dialogue with the company's stakeholders. Among other things, a substantial exchange of information has taken place as part of the ongoing permit process, where authorities and other stakeholders have had the opportunity to submit questions and comments on the environmental permit application, which Copperstone has then answered. The correspondence is reproduced in its entirety on the company's website under the tab "Tillståndsportalen".

Copperstone has actively encouraged dialogue by inviting stakeholders to consultations and visits and visits to the company's areas. Furthermore, the dialogue has continued internally, through Board and management meetings, locally in the form of a high level of community involvement, and with investors

and owners who continuously monitor the company's development. Copperstone also receives opinions and advice from various experts in the field of sustainability and participates in industry forums to exchange experiences.

One conclusion of the dialogue that took place in 2023 is that Copperstone's material areas remain relevant and that the company is focusing on the most important issues in its sustainability work. This confirms the stakeholder dialogue and external analysis that was carried out in 2021 and which forms the basis for the work that the company is conducting today. The purpose of the stakeholder dialogue was to determine which issues take priority for the company to work on and to ensure that there was a good understanding internally of the environmental expectations, in order to be able to conduct relevant and reality-based sustainability work.

Focus areas and goals

Copperstone's sustainability work has been structured based on seven focus areas, which are considered to be the most significant and where the company has the greatest actual and potential impact. Areas and targets were adopted by the management team and the Board of Directors in 2022. They are based on principles from ICMM (International Council on Mining & Metals), Svemin's guidelines, TSM Protocols (Towards Sustainable Mining), the UN's Agenda 2030 and the UN Global Compact. For each focus area, sustainability goals have been adopted that guide how the work is designed and followed up. The targets will be revised as necessary as Copperstone's business develops and other types of data may become relevant.

Follow-up

In 2023, the work on the environmental permit application has been in focus. On 24 May, the application was announced by the Land and Environment Court, and thereafter interested parties have had the opportunity to submit questions and comments, which the company has answered. The application contains a detailed environmental impact assessment of future mining operations in Viscaria, including plans for biodiversity, waste management and how environmentally hazardous emissions are to be limited.

In terms of sustainability work in general and the plans and goals that have been set, read more under each focus area.

7 AFFORDABLE AND CLEAN ENERGY



When the mine is opened, Copperstone's main contribution to the global transition will be responsibly produced copper with a low carbon footprint. Copper is a key metal in the transition to renewable energy and an electrified vehicle fleet. For example, an electric car requires about 80 kg of copper compared to a petrol-powered car that only requires 25 kg of copper. Hence, Copperstone has the opportunity to contribute to the UN's global goal number 7, sustainable energy for all.

A decent employer for everyone



Wellbeing

Copperstone's employees are the company's most important resource and it is therefore of the highest priority to offer a safe, pleasant and stimulating workplace for everyone. A good work environment

not only means that the risk of ill health and injuries are minimised, but also that the company's employees are happy and have the opportunity to develop. A good physical and psychosocial work environment contributes to more satisfied employees and also increases the company's efficiency and profitability. The ambition is to be an attractive employer where employees are free from work-related ill health, have a good work-life balance and feel secure and proud when they go to work.

Copperstone strives to create a culture where all employees feel motivated and where no issue is too big or too small to raise. It is through discussion and openness that both personal and professional development takes place.

Equal opportunities for all

Copperstone shall be an employer with an inviting corporate culture where equality and diversity are a natural part of the organisation. All employees must be given equal opportunities regardless of gender, nationality, age, sexual orientation, disability, religion, or any other characteristic. The work environment

must be characterised by openness and all individuals must be treated equally and with respect. No form of victimisation, bullying or harassment within the company is accepted.

Workplace safety

Work environment management is carried out preventively with a vision of zero accidents and work-related illnesses. The current work environment legislation is the basis for the company's work, but the goal is to exceed the external requirements and to always apply the principle of continuous improvement. A strong safety culture is the foundation of everything that is done and something that is created together in the workplace. It is the manager's responsibility to coordinate and drive work environment management in the day-to-day operations, but all employees have a personal responsibility to contribute to a good and safe work environment. When hiring a new employee, the employee will take part in Copperstone's Code of Conduct and safety training depending on where in the organisation the person will be.

Events in 2023

During the year, various activities were carried out to strengthen the team and the cohesion of the group. The team has been strengthened during the year and consists of people of several different nationalities and backgrounds, which gives access to a broader perspective, interesting discussions and new approaches.

Sustainability goals	Status 2023
There should be no serious accidents or long-term work-related illnesses.	Three reported accidents, including one with absence.
Information and training must be provided to all employees regarding safety and health.	All employees are informed on an ongoing basis and receive training.
Low sickness absence, <2%.	3,1% sick leave in 2023.
The gender balance must be balanced, in the organisation and in the management team (women/men).	The proportion of women in the organisation was 34%, with women making up 50% of the management team and 25% of the board.



Our strong culture and clear values drive us forward and make us stand out from others.

A common set of values

Copperstone is a value-driven company with a strong corporate culture. We are convinced that this unique culture nourish the conditions for both us and our employees to achieve our ambitious goals. As we grow and attract more employees, we need to continue to develop and strengthen this work. In 2023, we have therefore developed a common set of values that describe how we act in different situations.



Focused & brave

- We develop and test new ideas
- We are persistent in our pursuit of a common goal
- We adapt to and overcome challenges



Authentic & responsible

- We are open about our strategy and agenda
- We develop and support society
- We create a sustainable business with balanced solutions



Learning & succeeding together

- We show empathy and mutual trust
- We have inclusive and open-minded teams
- We put safety first and have fun at work

Future-proof mining



Efficient water management

Copperstone intends to reduce the environmental debt from previous mining operations with the reopening of the Viscaria mine. Through new, innovative attract technology, the

company can contribute to improved water quality and create circular flows. Read more about the water treatment pilot project on page 10. The water used in production will be reused in several phases to reduce resource use. In addition to these measures, storage of excavated waste volumes will be backfill or deposited geomorphological landforms, thus minimising future leakage into watercourses. Studies are carried out on an ongoing basis on nature and watercourses to ensure that the environmental impact is minimised and that the limit values described in the environmental permit application are not exceeded.

Circular flows

Reopening an existing mine also means that less untouched land is used. The company's ambition is to have a high utilisation rate of the material that is mined and develop processes to optimise the possibility of reMining. ReMining means that Copperstone

can take advantage of metals in already mined ore, without further intervention in nature. By making use of mining waste, such as waste rock and tailings, the material can be reused both as a building material and be subject to future reMining. Circular and efficient use of resources is motivated by both environmental and economic reasons and is important for reducing the overall environmental impact of operations. Through this work, the high level that the company intends to maintain in its environmental work is maintained.

Events in 2023

The focus for 2023 was on preparatory work for the company's mining operations and on creating good conditions for conducting mining activities with the lowest possible environmental impact.

The pilot project for water purification, which was put into operation in 2022, has shown very good results and means that water quality has improved even before the environmental permit has been obtained. During the year, Copperstone has developed a mass balance plan to optimise the reuse of topsoil, covering the future geomorphological waste rock pile. In addition, drill samples from old waste rock piles were collected to evaluate the possibilities for reMining.

Sustainability goals	Status 2023
Minimise the proportion of water affected by process or mining activities, via the diversion of unaffected water.	Planning is underway in line with the environmental permit application.
Create processes for improved water quality in recipients, and minimise the risk of future leakage.	A pilot project is being conducted for the treatment of contaminated water.
Reuse of excavated material (waste rock and tailings) to enable resource- and cost-effective production and logistics.	Planning is underway in line with the environmental permit application.
reMining of existing waste rock and tailing ponds from previous mining operations.	Planning is underway in line with the environmental permit application.

Promoting biodiversity



Conditions for biodiversity

Through ecological compensation and habitat restoration, Copperstone can reduce its impact on animals and nature while increasing the chances of red-listed species surviving.

As a member of Svemin, the company work actively to improve the conditions for biodiversity and to be a driving force in developing useful valuation models. Copperstone is already working to collect relevant data to ensure that the habitats affected by the mine are compensated or remedied in a correct way. When procuring contracts where the risk of impact is deemed to be significant, biodiversity must be taken into account and the ambition is to influence how the entire supply chain works with the issue.

External requirements are increasing

Through the external analysis that has been performed, it has been identified that the demands on companies to work with biodiversity are increasing. Requirements come partly from the EU taxonomy, at the same time as larger institutional investors are making increasingly strict demands on awareness, action plans and the presentation of compensation

measures. It is therefore important for Copperstone to take a clear position on the issue from the start and work to maintain the biodiversity that exists in the mining area where possible and work with compensatory measures in general.

Events in 2023

In 2023, Copperstone has participated in projects whose purpose is to identify relevant key performance indicators to ensure that biodiversity is not harmed or identify methods to restore affected habitats.



Svemin is the Swedish trade association for mines, mineral and metal producers and is a member of the Confederation of Swedish Enterprise. Svemin conducts continuous work to develop the conditions for the industry, including its sustainability work. Among other things, the organisation runs the research project The Mining and Mineral Industry in a Sustainable Future together with SEI, the Stockholm Environment Institute, where they have examined the industry's conditions to contribute to sustainable social development based on various future scenarios. Read more on www.svemin.se.

Sustainability goals	Status 2023
Actively participate with the industry organisation Svemin to develop a valuation model for biodiversity and have the ambition to implement NetBiIndex and deliver an action plan for Nature Positive by 2024.	Copperstone participates in relevant conferences and initiatives that Svemin arranges.
Set requirements for biodiversity in the supply chain.	Work has begun to introduce clear requirements in the purchasing process.
Implement ecological compensation that has a net positive impact on the local environment.	Planning is underway in line with the environmental permit application.
No serious environmental incidents should occur.	No incidents in 2023.

Climate and energy



Energy and climate impact

Contributing to society's transition to fossil-free energy and reducing the global climate impact is an important part of Copperstone's work, as copper is a crucial component for this transition. The company is working to create energy-efficient processes in its mining production, with the goal of using only electricity from fossil-free sources. This is achieved by consciously making transports choices of vehicles and future means of transport already at the design and mine planning stage, as well as by setting strict requirements for the electricity purchased.

The vehicles that Copperstone uses today are powered by HVO diesel, which contains at least 21 percent renewable fuel but can amount to over 50 percent. The ambition is to use the most energy-efficient solutions in production with a combination of electrified equipment and equipment powered by alternative fossil-free fuels.

When mapping the company's emissions, the initial compilation has focused on emissions within scope 1 and 2. Scope 1 refers to direct emissions from operations in the form of fuel consumption from own vehicles. Scope 2 refers to indirect emissions in the form of electricity, heating, cooling and steam. When it comes to Scope 3, which refers to emissions that occur along the value chain, Copperstone intends to make a more detailed mapping at a later stage.

Copperstone is in the start-up phase and will gradually expand its sustainability reporting in the future, including an annual report on the company's carbon dioxide emissions.

Energy production with respect for biodiversity

Copperstone's ambition is to set specific requirements for origin labelling and consideration of biodiversity when purchasing electricity. By doing so, the demand for this type of electricity increases, where the goal is to also increase awareness of how biodiversity can be affected by electricity production.

Events in 2023

In 2023, the focus continued to be on mapping and collecting data to identify the starting point for selected KPIs. Data primarily regarding fuel and energy consumed in the business has been collected.

Sustainability goals	Status 2023
Fossil-free transport and vehicles will be prioritised in production.	Planning is underway in line with the environmental permit application.
Annually improve the efficiency of the total energy consumption in the business from the start of production.	Mapping of current energy consumption has been carried out.
Low carbon emissions in line with the Paris Agreement on a 1.5°C global temperature increase.	Mapping of current emissions has been carried out.
95% of energy consumption shall consist of origin-labelled, self-produced or recycled energy.	Excluding vehicles, all energy consumption is 100% renewable through green hydroelectricity.

Sustainable business



In order for Copperstone to successfully continue to run its business, an important prerequisite is that it is run in a financially sustainable manner and that there are routines and processes in place that make this possible.

The company views respectively the task of managing the company's assets with regard to financial, environmental and social values.

Securing the supply of skills

As Copperstone's operations develop and mining production is started, more manpower will be needed. There are challenges in finding the right cutting-edge skills required to operate a modern, sustainable mine in Kiruna. Therefore, it is important

for Copperstone to work at an early stage to be an attractive employer and establish a strong brand, both locally and nationally. The goal is to create an employer offer with favourable working conditions and life packages for future employees. It can also mean offering internships or degree projects to attract students and recent graduates to the company.

Laws and regulations

It is a matter of course for Copperstone to comply with the laws and regulations required for the business. Sweden has strict regulations and requirements for mining, which is something that Copperstone values highly. This ensures that the mines conducted in the country do so with the highest possible standards in terms of environment, safety and work environment.

Events in 2023

During the year, Copperstone has continued to work with data collection and the monitoring of decided sustainability goals. In order to ensure systematic monitoring, the company has evaluated the need for system support that can facilitate the process.

Sustainability goals	Status 2023
Evaluated and selected a suitable reporting system for the best framework for Copperstone to perform follow-up for their sustainability work.	The need for reporting systems for follow-up is evaluated.
Enable attractive working conditions and life packages to minimise commuting and secure the supply of skills.	The company has offered summer jobs for young people and had students writing their degree projects.

Contributing to local community development



Kiruna a proud city

In order for Copperstone to continue to develop, it is important that this is done together with the city and its inhabitants. In collaboration with Kiruna's business community, municipality and residents,

the company can contribute to the city's continued development and create pride in being a key player in Sweden's transition to a fossil-free society.

Copperstone has a strong connection to the city and its history as many of the company's employees have grown up here and have close connections to schools, businesses, associations and social communities. This is also reflected in the company's choice of headquarters, which is located in Kiruna, and in the fact that many of its employees live in Kiruna and the surrounding area. When the mine is put into operation, it is estimated that approximately 250 direct jobs will be created, where the goal is that future employees will also choose to live in Kiruna.

Local collaborations

Copperstone's strong connection to Kiruna and desire to develop together with the community requires that the company works closely with local

stakeholders in the city and the surrounding area. Therefore, the company prioritises entering into collaborations and procurements with local suppliers and other partners in the area. An example of such commitment to the city is the initiative Kiruna växer, where Copperstone has been an active player in 2023.

Copperstone shall coexist with and respect the Sámi community and culture in the area and works to identify solutions that can be beneficial for all parties. By having a continuous dialogue and consultation with the Sámi communities, Copperstone can strengthen the relationship and create good conditions for continued good collaboration.

Events in 2023

During the year, Copperstone has continued to work on securing the purchasing processes and reviewing its existing agreements. This means, among other things, that requirements for sustainability goals can be set in purchasing and procurement in a systematic way. Copperstone also continues to actively contribute to local development, mainly as a sponsor of Kiruna växer, which organises the recurring cultural week Kultura and the event The Swedish Mountain Premiere to profile Kiruna as Sweden's most winter city.

Sustainability goals	Status 2023
Purchases from stakeholders with a local presence are rewarded to benefit local business and community development.	The work has continued in 2023 to provide the conditions for this in the purchasing process.
Contribute to the continued development of the local area.	Among other things, Kiruna växer, which is a long-term commitment to the development of the local community. Initiator of the annual Kultura festival and the event The Swedish Mountain Premiere.
	Sponsorship of about 20 associations as well as of the Kiruna Festival and the Snow Festival.



Copperstone is one of the initiators and driving forces behind this local collaborative project. Together with employers, associations and the municipality, we work to make Kiruna an attractive and accessible city. With over 60 member companies, including the largest stakeholders in the area, we represent a broad and committed community.

We at Copperstone value and promote the unique conditions and competencies that Kiruna has to offer. With a population that has extensive experience of modern mining, Kiruna is an important resource for us as a new player in the field. We believe in long-term sustainability, which requires a varied labour market, access to labour in different sectors and opportunities for a high quality of life for all citizens.

Through our involvement in **Kiruna växer** Copperstone is taking an active role in the society. We currently hold the chairmanship of the project and also actively support various initiatives as a sponsor. One example is the successful cultural festival Kultura, was a ten day event in November 2023. The festival offered The festival provided diverse artistic expression, from music and film to dance and theater, spread across different locations in Kiruna. The goal was to increase interest in the city and attract more people to discover Kiruna's unique charm and opportunities.



Partners in Kiruna are increasing

- Kiruna Municipality with the municipally owned companies LKAB
- Copperstone Resources AB
- Talga AB
- Kiruna airport – Swedavia
- SSC – Swedish Space Corporation
- As well as many more stakeholders



Ethical business practices



Copperstone's Code of Conduct is based on the UN Global Compact's principles regarding human rights, anti-corruption, the environment and employment conditions. This means that the company works to ensure that the entire business and its business partners comply with these principles and work actively to uphold them at all levels. There is a zero-tolerance policy regarding corruption in the company and all transactions entered into must be characterised by openness, integrity and honesty. Human rights shall always be respected and no violations shall occur in Copperstone's operations or value chain. Copperstone has close contact with its suppliers and has the ambition to have long-term relationships with the business partners with whom they enter into contracts.

The Code of Conduct shall form the basis for all business relationships in the company and all employees and suppliers shall have read and understood the information. Everyone who visits the company's premises is subject to the requirements regarding work environment, safety and the environment, which are described in the Code of Conduct as well as in the Supplier Handbook.

External whistleblower function

In order to detect and act on signals of possible misconduct at the company, Copperstone has established an external whistleblower function. All employees and external stakeholders have access to the function and the opportunity to report serious deviations from the law, code of conduct and the like. The reporting is anonymously and is processed in accordance with the adopted procedures that are in place.

The whistleblower function is available on Copperstone's website, www.copperstone.se.

Events in 2023

During the year, Copperstone has updated its Code of Conduct and mapped how the Code of Conduct has been used in procurement. This has been done in order to ensure that Copperstone is clear about the company's expectations in the area of sustainability with respect to potential suppliers and partners early in the purchasing process.

Sustainability goals	Status 2023
All employees and suppliers must sign the company's Code of Conduct.	All employees have read the company's Code of Conduct.
No human rights violations or cases of corruption.	No reported incidents in 2023.

The Sustainable Development Goals (SDGs)

Copperstone's sustainability work supports Agenda 2030. The table below explains the way in which the company's work under each focus area contributes to the SDGs.

The UN Sustainable Development Goals	Description of objectives	Copperstone's focus area	Motivation
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Enable access to reliable, sustainable and renewable energy to a larger part of the global population. The goal includes increasing the share of renewable energy in the world and contributing to research and investments in clean energy.	Climate and energy	<ul style="list-style-type: none"> Offer sustainably produced copper, which is a key metal in the electrification of society, to the European market. Demand sustainably produced electricity with requirements for biodiversity.
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Decent work conditions promote sustainable economic growth and is a positive force for the entire planet. The goals include creating working conditions with equal pay for all, eradicating human trafficking and child labour, and promoting young people's employment, education and training.	A decent employer for everyone Sustainable business Ethical business practices	<ul style="list-style-type: none"> Copperstone works to ensure that everyone is treated equally and diversity is encouraged to create a stimulating workplace. All employees must have a safe and secure work environment where there is an opportunity for development. Copperstone shall conduct a financially sustainable business and actively work to ensure the supply of skills to the company. Copperstone does not accept any form of violation of human rights or corruption in its own operations or value chain.
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Sustainable cities and communities mean making cities and human settlements inclusive, safe, resilient and sustainable. The aim is also to promote positive development in urban and rural areas.	Contribute to the local community development Sustainable business	<ul style="list-style-type: none"> Contribute to the city of Kiruna and the business community through collaborations, sponsorship, development projects and local purchases. Be an attractive employer in Kiruna and offer "life packages" to employees.
 <p>13 CLIMATE ACTION</p>	Combating climate change means reducing greenhouse gas emissions and preventing global warming from exceeding 1.5 C degrees. The goal also involves contributing to society's climate adaptation.	Climate and energy	<ul style="list-style-type: none"> Energy efficiency in the company's own operations. Fossil-free energy consumption, energy-efficient equipment and requirements for origin labelling when purchasing electricity. Efficient resource management in production and implementation of circular flows.
 <p>15 LIFE ON LAND</p>	Contribute to sustainable ecosystems and positive development for biodiversity. The goal involves working to preserve, restore and safeguard ecosystems on water and land, as well as to protect biodiversity and natural habitats.	Future-proof mining Promoting biodiversity	<ul style="list-style-type: none"> Efficient water management and implement circular flows. Use technology and innovative methods to contribute to improved water quality in the area. Mass handling that minimises the risk of future leakage from mine waste. Demand sustainably produced electricity that takes biodiversity into account. Engage with industry associations to develop a common biodiversity valuation model and adhere to relevant reporting frameworks.
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	Promote peaceful and inclusive societies for sustainable development and provide access to justice for all. The goal also means that all corruption and bribery must be combated.	Ethical business practices	<ul style="list-style-type: none"> Ethical procurement between business partners with zero tolerance for corruption and bribery in Copperstone and the entire value chain. Respect human rights throughout the value chain.

Mineral resources

Copperston's mineral resources and mineral reserves form the basis for the company's future operations. Together with detailed plans for how the operations will be conducted, the characteristics of the minerals forms the basis for future investments.



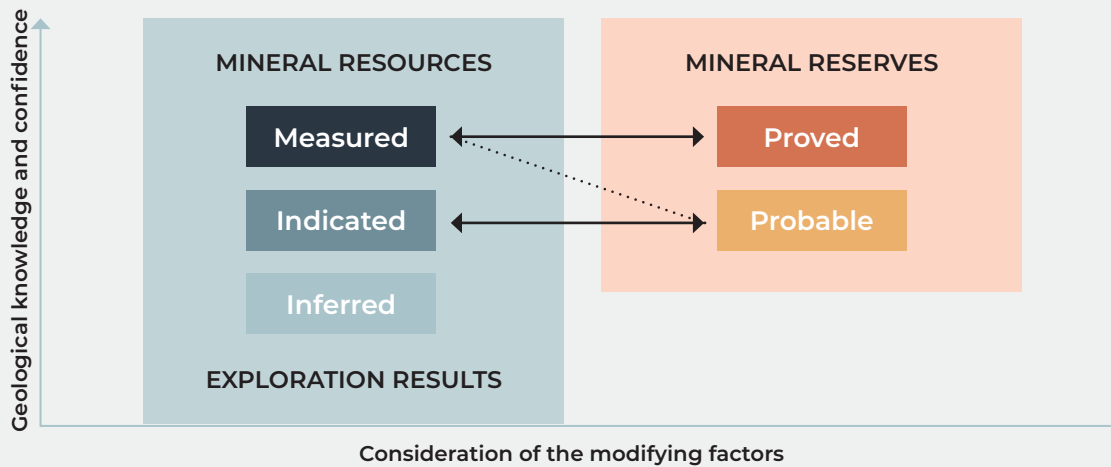
Since Viscaria was acquired in 2019, Copperstone has conducted exploration in the area, which has gradually contributed to increased awareness and thereby improved conditions for future mining operations. In 2023, the focus has been on so-called resource drilling, which means that precision is improved in terms of assessed grades and the appearance and nature of the ore bodies.

Mineral resource update

In 2023, Copperstone has carried out extensive exploration in the Viscaria area as part of the ongoing preparatory studies. The ambition is to be able to classify the resources as probable and/or proven mineral reserves in accordance with the PERC Standard 2021, which is the latest standard. Work on the studies will continue in 2024, including continued drilling in Viscaria while the analysis of the mine's technical and economic conditions continues.

Relationship between exploration results, mineral resources and mineral reserves

Copperstone's model based on PERC Standards definitions



Mineral resources are the concentration or occurrence of minerals in or on the earth's crust in such a form, grade and quantity that it has a reasonable prospect of eventual economic extraction. Geological properties such as location, density, quantity, grade or specific geological properties are being considered.

The mineral resources have the classes inferred, indicated and measured, depending on the degree of knowledge of the mineralisation. The highest classification category is measured.

Mineral reserves are the proportion of measured and/or indicated mineral resources that are deemed to be profitable for extraction. Consideration is given to, among other things, dilutive materials and allowance for losses that may occur when the material is mined or extracted and is defined in a study that includes modifying factors. Such studies aim to demonstrate that, at the time of reporting, it is reasonable that extraction can be justified.

Mineral reserves are divided into probable or proven resources depending on the level of knowledge.

Mineral resource accounting

Copperstone follows the industry organisation Svemin's recommendations when reporting exploration results, mineral resources and mineral reserves. Svemin prescribes the use of internationally accepted standards and recommends in particular the PERC Standard, which is based on The Template developed by CRIRSCO¹.

The information provided in accordance with the PERC regulations must be reviewed by a so-called competent person who is an expert in what is reported and who is a member of an independent expert organisation, for example in FAMMP (Fennoscandian Association for Metals and Minerals Professionals).

Svemin's review board continuously reviews that companies comply with organisational rules and that reporting is performed correctly according to standards.

November 2022 Resource Upgrade

In November 2022, Copperstone presented a resource upgrade that showed that the Viscaria mine increased the mineral resources by 43 percent, compared to the resource upgrade made in 2020. Additional core drilling would thus, somewhat simplified, have secured future production in the Viscaria mine by an additional 3-4 years, and in the analysis of the mine plan, a lifetime for the mine of at least 15 years is achieved.

In connection with the resource upgrade in 2022, a transition to PERC Standards has begun, from having previously applied the Fennoscandian Review Board (FRB). The transition to PERC is a process that requires time and the report presented in 2022 had as far as possible been compiled in accordance with the PERC regulations, but without claiming to be complete.

The resource upgrade in short means:

- The copper-bearing rock of the Viscaria mine (including the so-called iron domain in the D-zone but excluding the tailings pond) amounted to 93 Mtonnes, corresponding to an increase of 26 per cent since November 2020 and an increase of almost 80 per cent since the acquisition of the Viscaria mine in 2019.

- Total in-situ metal in the Viscaria mine (based on 93 Mtonnes of copper-bearing rock, excluding tailings) had increased to 818 ktonnes, from 727 ktonnes in November 2020, corresponding to an increase of 12 per cent. Compared to the time of the acquisition of the Viscaria mine in 2019, this corresponds to an increase of 34 per cent.

- According to the upgrade, the known mineral resources in the Viscaria mine (based on 93 Mtonnes of copper-bearing rock, excluding the tailings pond) amounted to 346 ktonnes, compared to 242 ktonnes in November 2020, and had thus risen by 43 per cent.

- The measured plus indicated mineral resources in the Viscaria mine (based on 93 Mtonnes of copper bearing rock, excluding the tailings pond) amount to 639 ktonnes compared to the previously reported 520 ktonnes, and have thus increased by 23 per cent.

Resource upgrade February 2024

Copperstone has completed an upgrade of the mineral resources in the Eva deposit in Arvidsjaur in accordance with the latest PERC Standard 2021. The Eva deposit has been confirmed in the new geological understanding to consist of two mineralised domains: a zinc-gold (Zn-Au) domain and a gold-copper (Au-Cu) domain. The gold-copper domain is a so-called feeder zone (area from which the mineralisation is believed to originate).

- Copperstone has used the same cut-off of 1 percent zinc equivalents as in previous reports. The cut-off grade is the lowest grade currently considered necessary for economic extraction.
- The resource upgrade shows a total increase in the mineral resources according to PERC Standard 2021 of 50 percent, from 5.16 Mtonnes to 7.76 Mtonnes.
- The Eva deposit has an average metal grade of 4.41 percent zinc equivalents (copper, gold and silver converted to zinc).

Including the upgrade of the Eva deposit, the total mineral resources in Arvidsjaur amount to 34 Mtonnes of copper-, zinc-, gold- and silver-bearing rock.

¹ Committee for Mineral Reserves International Reporting Standards, which is an association of mineral resource reporting organisations around the world. In Europe, the PERC Standard is the regulatory framework that is followed.

Mineral resources

The assets are reported according to the PERC standard 2017 and the PERC standard 2021 (Eva).

VISCARIA	Mton	Cu (%)	Cu (kton)	FeMAG (%)	FeMAG (Mton)	Zn (%)	Zn (kton)	Au (g/t)	Au (t)	Ag (g/t)	Ag (t)	Co (ppm)	Co (kton)	Pb (%)	Pb (kton)
A-zone (0,25 % Cu cut off)															
Measured	15.8	1.52	239												
Indicated	5.6	1.09	60.4												
Inferred	3.6	0.8	30.6												
Total A-zone	24.9	1.32	329.7												
B-zone (0,25 % Cu cut off)															
Measured	0.1	1.17	1.5												
Indicated	19.7	0.65	128.1												
Inferred	11.4	0.77	87.9												
Total B-zone	31.2	0.7	217.4												
D-zone (copper domain) 0,4% cut off															
Measured	7.8	11.15	89.7	25	2										
Indicated	8.1	1.13	92.1	23.7	1.9										
Inferred	4.8	1.15	55.8	21.2	1										
Total D-zone copper domain	20.8	1.14	237.7	23.6	4.9										
D-zone (iron domain) 20% Fe cut off															
Measured	7.7	0.21	16.2	25.6	2										
Indicated	5.5	0.21	11.6	25.4	1.4										
Inferred	2.8	0.18	5.1	25.4	0.7										
Total D-zone iron domain	16.0	0.21	32.9	25.5	4.1										
TOTAL VISCARIA A-, B- & D- ZONE	93.0		817.7		9.0										
Tailings dam (0,06% Cu cut off)															
Measured	12.5	0.27	34.0			0.24	30.3	0.06	0.8	0.9	11.0	145.0	1.8		
Indicated	0.2	0.17	0.3			0.19	0.3	0.05	0.0	0.5	0.1	146.0	0.0		
Total Tailings Dam	12.7		34.2				30.6		0.8		11.1		1.8		
TOTAL VISCARIA INCL TAILINGS DAM	105.7		851.9		9.0		30.6		0.8		11.1		1.8		

ARVIDSJAUR	Mton	Cu (%)	Cu (kton)	FeMAG (%)	FeMAG (Mton)	Zn (%)	Zn (kton)	Au (g/t)	Au (t)	Ag (g/t)	Ag (t)	Co (ppm)	Co (kton)	Pb (%)	Pb (kton)
Granliden Svartliden (0,1% Cu cut off)															
Inferred	26.4	0.43	114.0			0.12	32.4	0.08	2.1	5.9	155.5				
Eva (1% Zneq cut off)															
Indicated	6.9	0.21	14.6			1.82	126.1	0.86	6.0	29.9	207.3			0.28	19.4
Inferred	0.8	0.13	1.1			1.50	12.5	0.56	0.5	20.1	16.7			0.22	1.8
Total Arvidsjaur Eva PERC 2021	7.8		15.6				138.6		6.4		224.1				21.2
TOTAL ARVIDSJAUR PERC 2017 & 2021 (EVA)	34.1		129.6				171.0		8.5		379.5				21.2

COPPERSTONE GROUP	Mton	Cu (%)	Cu (kton)	FeMAG (%)	FeMAG (Mton)	Zn (%)	Zn (kton)	Au (g/t)	Au (t)	Ag (g/t)	Ag (t)	Co (ppm)	Co (kton)	Pb (%)	Pb (kton)
PERC 2017 & 2021															
Total mineral resources according to PERC	139.8		981.6		9.0		201.6		9.3		390.6		1.8		21.2

EXPLORATION TARGETS	Mton	Cu (%)	Cu (kton)	FeMAG (%)	FeMAG (Mton)	Zn (%)	Zn (kton)	Au (g/t)	Au (t)	Ag (g/t)	Ag (t)	Co (ppm)	Co (kton)	Pb (%)	Pb (kton)
Granliden															
Exploration target - Granliden	150-210	0.25-0.45	375-945												
Total	180		375-945												

HISTORIC RESOURCES	Mton	Cu (%)	Cu (kton)	FeMAG (%)	FeMAG (Mton)	Zn (%)	Zn (kton)	Au (g/t)	Au (t)	Ag (g/t)	Ag (t)	Co (ppm)	Co (kton)	Pb (%)	Pb (kton)
Exploitation concession Tvistbo*	0.6					3.30	19.0			22.0	12.7			2.60	15.0
Exploitation concession Tvistbo**	0.3					3.00	8.4			20.0	5.6			2.50	7.0
Total historic resources	0.9						27.4				18.3				22.0

*** Valid until 2037. Indicated by an independent consultant. For more information, refer to Copperstone's annual report, www.copperstone.se."

*** Valid until 2037. Indicated by an independent consultant. For more information, refer to Copperstone's annual report, www.copperstone.se."

Exploitation concessions and exploration permits

The Group's portfolio of permits

Copperstone has six exploitation concessions granted, of which three are in Kiruna, two in Arvidsjaur and one in Smedjebacken. In addition, Copperstone holds thirteen exploration permits as of 6 February 2024, according to the Mining Inspectorate of Sweden's Mineral Rights Register. In 2023, extended exploration permits were obtained for Viscaria East, Nikha East and Viscaria 107. Furthermore, in 2023, the company has also received three new exploration permits; Viscaria 117, Viscaria 118 and Viscaria 119.

The exploration permits for Rengärde no. 1 and Viscaria no. 112 expired in November 2023 and it has been decided not to extend them.

Within the framework of the Arvidsjaur project, Copperstone has applied for an exploration permit for Sandberget no. 600, which is directly adjacent to the large area Sandberget no. 500, and applied for a renewed permit for Sandberget no. 400 and Sandberget no. 500.

For more information, please visit Copperstone's website at www.copperstone.se.

EXPLOITATION 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 no. 1	34.2	2017-11-13	2042-11-13	lead, gold, copper, silver, zinc	Arvidsjaur
Svartliden K no. 1	36.0	2000-12-27	2025-12-27	lead, gold, copper, silver, zinc	Arvidsjaur
Twistbogruvan K no. 1	11.4	2012-04-17	2037-04-17	lead, gold, copper, manganese, silver, tungsten, zinc	Smedjebacken
Total [hectares]:	291.2				

EXPLORATION PERMITS GRANTED					
Name	Area [ha]	Valid from	Valid until	Mineral	Municipality
Viscaria nr 1	818,7	2008-06-24	2025-06-24	copper	Kiruna
Viscaria nr 107	1 842,8	2009-08-10	2026-08-10	copper	Kiruna
Nihka East	144,1	2015-06-16	2027-06-16	copper	Kiruna
Viscaria East	211,9	2017-06-09	2025-06-09	copper	Kiruna
Kirkkovaarti nr 1	386,4	2018-11-08	2026-11-08	lead, gold, iron occurring in the bedrock, copper, silver, zinc	Kiruna
Goddevarri nr 101	148,4	2019-12-04	2024-12-04	lead, gold, iron occurring in the bedrock, copper, silver, zinc	Kiruna
Viscaria nr 117	4 986,5	2023-01-13	2026-01-13	gold, iron occurring in bedrock, cobalt, copper, molybdenum, nickel, silver	Kiruna
Viscaria nr 118	9,0	2023-03-29	2026-03-29	gold, copper	Kiruna
Viscaria nr 119	1 408,5	2023-11-01	2026-11-01	gold, iron occurring in the bedrock, copper	Kiruna
Sandberget nr 300	18,7	2012-10-03	2024-10-03	gold, copper, silver, zinc	Arvidsjaur
Sandberget nr 200	19,2	2012-10-03	2024-10-03	gold, copper, silver, zinc	Arvidsjaur
Sandberget nr 500	7 641,0	2019-02-11	2024-02-11	gold, copper, silver, zinc	Arvidsjaur
Sandberget nr 400	535,6	2019-02-11	2024-02-11	gold, copper, silver, zinc	Arvidsjaur
Total [hectares]:	18 170,8				

All granted exploitation concessions and granted exploration permits are 100 percent owned by Copperstone Resources AB or by the wholly-owned subsidiaries Copperstone Viscaria AB or Copperstone Twistbo AB.



Risk factors

This section describes the risk factors that are considered material and specific to Copperstone's business.

Risks related to Copperstone's operations and industry

Risks related to fluctuations in metal prices and demand

The mineral occurrences that Copperstone investigates primarily contain copper, iron, gold, zinc, and silver. The prices of the metals are set on the international market and reflect expectations of future supply and demand. World market prices have shown large fluctuations in recent years as a result of increased global uncertainty, which affects the assessment of the Company's future value development. Above all, the future development of the copper price is of importance for Copperstone. Demand for copper is expected to increase in the coming years, driven by a growing middle class, climate change, and the need for infrastructure investments. At the same time, the supply is dependent on continued investments into exploration and the expansion of existing copper production, as well as on political and economic conditions.

The price of copper and other metals is expressed in US dollars (USD). For Copperstone, which mainly has costs in Swedish kronor (SEK), fluctuations in exchange rates also entail an exchange rate risk.

A prolonged and sharp decline in metal prices, especially the copper price, could lead to reduction or discontinuation of Copperstone's mining, exploration, and development operations, as well as planned mining operations not being able to commence as planned and thereby negatively affecting the Company's financial position and earnings, including the possibility of achieving future profitability.

Risk assessment: High

Risks related to mineral exploration and mineral resource assessment

Copperstone conducts significant mineral exploration work within the framework of the exploitation concessions and exploration permits held by the Company. Copperstone owns mineral resources in Kiruna (Viscaria copper mine), Arvidsjaur (Eva, Svartliden, Granliden) and in Smedjebacken (Tvistbo mine). Mineral exploration is inherently uncertain and associated with financial risk, especially regarding early phase exploration projects.

Only a limited number of initiated exploration projects develop into producing mines. There is a risk that the valuable minerals that are sought will not be found in a sufficiently high concentrations and quantities for it to be economically viable to start future mining. Furthermore, there is a risk that future mining operations will be less profitable than expected, as recoverable mineral resources are based on estimates and probabilities and can only be fully verified in industrial production. There are currently no reliable methods able to determine the exact mineral reserves present in different geological layers. In order to increase transparency and comparability, international standards for mineral resource reporting exist (PERC in Europe, JORC in Australia NI 43 101 in North America), which are then verified by a qualified independent entity. The purpose of these reports is to show the extent of mineral resources and reserves that may prove to be economically exploitable in the future.

In connection with test drilling, simulation models are used that, based on assumptions and estimates, can create an overview of the orebody. There is always a risk that the assumptions underlying proven, probable, assumed, indicated or known mineral resources are not correct, that an inferred mineral resource does not exist, or cannot be converted into a mineral reserve, is economically mineable or can be upgraded to a higher category. Furthermore, the economic life of a mineral occurrence is affected by several factors, such as future mining, beneficiation, metallurgy, infrastructure, and economics, as well as obtaining the necessary regulatory permits and other laws and regulations. Information on the Company's mineral resources should be viewed in this light.

Risk assessment: Means

Risks related to the growth strategy and planned future mining operations

According to Copperstone's growth strategy, the Company intends to continue to conduct exploration activities within the framework of current projects and to commence the mining of copper-bearing ore in the Viscaria area in 2026. There is a risk that the Company will not be able to realise its growth strategy with the desired results or not at all. The realisation of the growth strategy is highly dependent on the Company obtaining relevant permits and its ability to attract sufficient capital to cover the requisite expected investments to establish mining operations in Viscaria and to continue exploration activities. Failure to obtain relevant permits or to raise the necessary financing, and/or deferred investments due to a lack of capital, may thus affect the Company's ability to meet its growth strategy, which would have a negative impact on the Company's ability to achieve planned production volumes and its ability to achieve future profitability. Furthermore, the continued exploration work and future mining operations may prove unprofitable, taking into account a number of uncertainties, such as incorrectly estimated mineral resources and unpredictably higher costs for mining, beneficiation, and exploration that cannot be covered by additional financing or production from future mining operations. Furthermore, there is a risk that the Company's assessment of investment costs for future mining operations is incorrect or will need to be adjusted. Thus, there is a risk that the Company will not be able to achieve its growth strategy as planned or with significantly lower results, which would have a negative impact on the Company's operations, financial performance, and future ability to achieve profitability.

Risk assessment: Means

Risks related to the organisation and dependence on the skills of key personnel

Copperstone is currently a so-called SME (small and medium-sized enterprise) with limited resources regarding management, administration, and to some extent, capital. The Company is dependent on a number of key individuals to achieve planned success within the framework of its growth strategy. For example, the Company is dependent on the knowledge and experience of the Board of Directors and management in business operations in general, permit processes, mineral exploration, mine planning, and financing. There is a risk that senior executives or other key personnel will opt to leave the Company and that the Company does not manage to replace the individual(s) in an adequate and timely manner. There is also a risk that the Company will fail to attract or recruit new qualified personnel to a sufficient extent in the future.

Risk assessment: Means

Risks related to dependence on third parties for the conduct of current and planned operations

Copperstone is dependent on agreements with third parties to conduct exploration activities and for future planned mining operations. Among other things, the Company has engaged the companies MK, RE, and Norse for diamond drilling in connection with exploration in the Viscaria area. Demand for drilling rigs is currently very high in Sweden owing to the relatively favourable metal prices and because several major mining companies have large exploration campaigns that compete to some extent. Furthermore, the Company is dependent on other third parties, such as suppliers and consultants, to establish the planned mining operations within the framework of the growth strategy.

Risk assessment: Low

Risks related to acquisitions

In 2019, Copperstone acquired Viscaria copper mine in Kiruna through the acquisition of Avalon Minerals Viscaria AB, which holds all permits and assets relating to Viscaria. Within the framework of the growth strategy, Copperstone may acquire additional projects with the potential to develop into profitable mining operations in the long term.

Such acquisitions may involve commitments and risks in relation to the nature or value of the acquisitions. In the event of a decision on further acquisitions, there is a risk that Copperstone will not be able to complete such acquisition within the planned time frame, at the desired price and/or on commercial terms acceptable to the Company, or at all.

Risk assessment: Low

Legal and regulatory risks

Copperstone's current and planned operations are subject to permits extensive legal and regulatory control

Copperstone's operations are subject to extensive legal and regulatory control as well as other requirements, including necessary permits for current and planned operations within the framework of the Company's growth strategy. Mining operations, including both mining and exploration, are activities subject to permits that are under the authority of the Mining Inspectorate of Sweden. To conduct exploration and mining operations, Copperstone is dependent on obtaining and retaining exploration permits, exploitation concessions, environmental permits, and other requisite permits and rights. In terms of resource management and land use, Copperstone has, for relevant areas, received the County Administrative Board's (and later the Mining Inspectorate of Sweden's) acceptance of exploitation concessions in both Kiruna and Arvidsjaur.

Despite this, there is a risk that, in the future, it will not be possible to obtain new permits, renew existing permits related to exploration activities, or obtain permits for changes to operations, or that these may take longer to obtain than anticipated.

Changes to applicable laws, regulations or other directives, or the stricter application thereof, that affect the Company's operations may lead to increased costs and lower future production, and may delay or prevent the development of current and new mineral occurrences.

Risk assessment: Means

Risks related to environmental responsibility and the global situation

Copperstone's environmental responsibility includes, but is not limited to, statutory environmental responsibility for pollution caused by operations, responsibility for remedying this if necessary, and the obligation to restore the environment and landscape after exploration activities or mining operations have been completed. The environmental responsibility obligation is relevant at all stages of the Company's current and planned operations, i.e. as early as during preliminary investigation and exploration, as well as during the construction of a mine, in the operational phase, and in restoration of operations that have been completed. The Company's current operations may impact, among other things, soil, surface water, and groundwater. Furthermore, the operations may involve air and noise pollution, impact the landscape, and cause ground deformations. Furthermore, Copperstone's current and planned operations require that the Company, in addition to the necessary permits for exploration activities, also holds and receives the necessary permits in accordance with the Swedish Minerals Act and the Swedish Environmental Code. The environmental permit confers the right to conduct environmentally hazardous activities and is associated with production and environmental conditions that must be complied with. This may involve protective measures in the form of purification measures and modifications, which may result in limitations and costs for the Company's current and planned operations.

Exploration and mining activities also affect the current land use for those conducting operations in connection with the old and planned operational area. Such activities can be perceived as disruptive and restrictive, and thus there is a risk of conflict with other interests and stakeholders, such as local residents, other industrial operations, tourism, recreation, hunting, and fishing. For example, the Company must continuously take into account local reindeer herding in all of the Company's project areas for exploration and future mining. There is a risk that the Company may contravene applicable environmental regulations and permits, with subsequent liability for damages and criminal liability, including in the form of fines.

Risk assessment: Means

Risks related to disputes

Within the framework of Copperstone's ordinary operations and in general, various claims and disputes may arise. For example, such disputes could arise between the Company and employees, third parties who perform exploration services for the Company, or landowners and other stakeholders in the areas in which the Company conducts its business. The Company is not currently subject to, in the Company's opinion, any material claims and/or disputes.

Risk assessment: Low

Risks related to the Company's financial situation

Copperstone does not currently have regular cash flow, and the Company has thus incurred losses since its inception. The Company further expects that the costs for the continued operations will increase before expected internally generated cash flow can be obtained in connection with the reopening of the Viscaria mine. Over the past 14 years, the Company has primarily been financed through capital raisings in the form of new issues of shares and convertible debentures. New capital will need to be raised to finance major exploration and development efforts and to finance the planned future mining operations, which will require high investment costs. Thus, in order to achieve future profitability, the Company is currently dependent on the provision of external financing for its current and future exploration activities and future mining operations within the framework of the Company's growth strategy.

Risk assessment: Means



The share

On 8 December 2023, Copperstone's shares were listed on Nasdaq Stockholm's main market after having been traded on First North Growth Market since 2011. Taking the step up to the main market was an important milestone during the year, which improves conditions for a broadened shareholder base and more international and institutional investors.

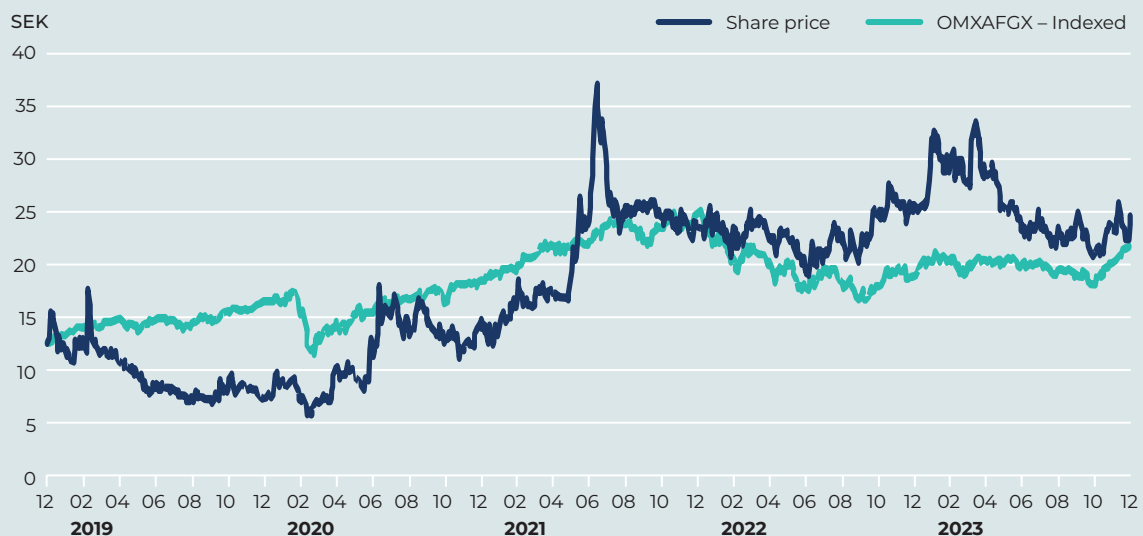
Copperstone was listed on Nasdaq Stockholm's main market on 8 December 2023, in the Mid Cap segment. Copperstone's shares had previously been listed on Nasdaq Stockholm First North Growth Market since 2011, and were previously traded on Spotlight Market (formerly Aktietorget) since 2007. Prior to the listing on Nasdaq Stockholm, the share was given a new stock ticker, COPP. The share's ISIN code is SE0021148160.

Market capitalisation and turnover

Copperstone's market capitalisation as of 31 December 2023 amounted to approximately SEK 2,209 million, and the share was trading at SEK 24.52 at closing the same day. Market capitalisation as of 31 December 2022 was approximately SEK 1,948 million. In 2023, a total of 412 million shares were traded for a total value of SEK 573 million.

In 2023, the share recorded a decline of 4.1 percent, compared with Affärsvärlden's General Index, OMXAFGX, which rose 16.0 percent during the year. Over the past five years, the Copperstone share has risen 96 percent compared to OMXAFGX, which has risen 73 percent, and First North Index, which has increased 9.7 percent in value during the same period.

Copperstone's share price compared to Affärsvärlden's General Index 2019-2023



Reverse share split

In December 2023, the Company carried out a reverse share split, where 20 existing shares were consolidated into 1 new share. The total share capital of the Company was not affected by the reverse share split. All key ratios and historical price data have been recalculated to take into account the change in the number of shares.

Shareholders

Copperstone had 18,113 shareholders as of 31 December 2023. During the year, 2,521 new shareholders were added.

SHAREHOLDERS AS OF 31 DECEMBER 2023	Number of shares	Capital & votes, %
Thomas von Koch	9,216,985	10.81%
JRS Asset Management AB Client Account	5,169,894	5.74%
Joheco AB	3,550,000	3.94%
Håkan Roos (RoosGruppen)	3,324,493	3.69%
Jan Ståhlberg	3,233,493	3.59%
Avanza Pension	2,659,176	2.95%
Nordnet Pensionsförsäkring	2,525,236	2.80%
Caps LTD	2,210,484	2.45%
The Fourth Swedish National Pension Fund	2,102,804	2.33%
Santhe Dahl	1,978,428	2.20%
Handelsbanken Fonder	1,500,000	1.67%
Svante Wedman	1,347,064	1.50%
Håkan Eriksson (Skandinavkonsult)	1,300,000	1.44%
Björn Israelsson	1,268,804	1.41%
Henrik Raalskov Petersen	1,256,957	1.40%
Michael Mattsson	1,133,459	1.26%
Handelsbanken Liv Försäkring AB	1,100,713	1.22%
Skandia Fonder	1,085,558	1.21%
Livförsäkringsbolaget Skandia	1,066,552	1.18%
Swedbank Försäkring	899,200	1.00%
20 largest shareholders	48,079,153	53.4%
Other	42,001,189	46.6%
Total number of shares	90,080,342	100%

Source: Modular Finance AB as of 31 December 2023, ownership statistics from Holdings, Euroclear Sweden AB and confirmed and/or noted changes for the Company.

Share capital

As of 31 December 2023, the number of shares in Copperstone amounted to 90,080,342, each share with a quota value of SEK 2.00. The total share capital amounted to SEK 180,160,682. In 2023, the share capital has increased as a result of Norrlandsfonden's conversion, exercise of warrant programs and through a directed issue of shares.

		Change in number of shares	Number of shares	Quota value	Share capital, SEK
2023-03-01	Norrlandsfonden conversion	7,790,420	1,542,092,776	0.10	154,209,278
2023-06-01	Exercise of warrants	10,915,918	1,553,008,694	0.10	155,300,869
2023-06-21	Directed share issue	248,598,130	1,801,606,824	0.10	180,160,682
2023-12-13	Reverse split 1:20	-1,711,526,498	90,080,342	2.00	180,160,682

In June 2023, a directed share issue was carried out that provided the Company with SEK 258 million after deduction of issue costs, which at the time entailed a dilution of the number of shares and votes by 13.8 percent. The issue was made within the framework of the authorisation granted by the Annual General Meeting 2023, according to which the Board of Directors may decide on issues on one or more occasions during the period until the next Annual General Meeting, corresponding to up to 20 percent of the number of outstanding shares.

Copperstone has implemented long-term share-based incentive programmes in the form of warrants, resolved by the Annual General Meeting. The programmes have durations of three to four years. The Company also has outstanding convertible debentures that have been subscribed for by Norrlandsfonden. In total, outstanding warrants and convertible debentures as of 31 December 2023 may entail a maximum dilution of 3.48 percent and would, if fully subscribed, provide Copperstone with approximately SEK 73 million. More information about the incentive programmes can be found in Note 5, on page 94-96.

Dividend and dividend policy

Copperstone is not expected to pay any dividend in the next few years as a result of the significant investments that are necessary before cash flow from mining operations can be generated. The Company does not currently have a dividend policy.



Corporate Governance Report

Copperstone Resources AB (publ) (“Copperstone” or the “Company”) is a Swedish public limited liability Company. In December 2023, the Company changed its listing from Nasdaq First North Growth Market, on which the Company has been listed since 2011, to Nasdaq Stockholm Main Market.

Following the listing of the Company's shares on Nasdaq Stockholm Main Market, Copperstone applies the Swedish Corporate Governance Board's Swedish Corporate Governance Code (the “Code”). This corporate governance report has been prepared in accordance with the Annual Accounts Act and the Code and describes Copperstone's corporate governance during the 2023 financial year. The Code is based on the principle “comply or explain”, and Copperstone has no deviations from the Code to report for the 2023 financial year. The code is available at www.bolagsstyrning.se. No violations of applicable stock exchange rules or breaches of good practice in the stock market have been reported regarding Copperstone by Nasdaq Stockholm's Disciplinary Committee or the Swedish Securities Council during 2023.

Corporate governance model

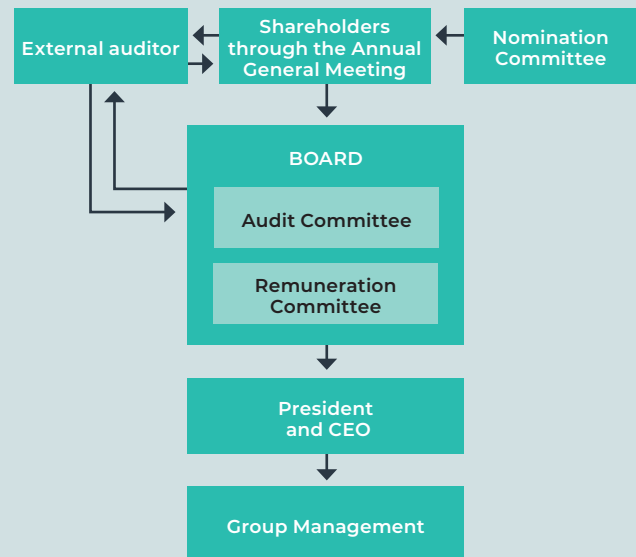
Shareholders exercise their right to influence the Company at the Annual General Meeting. Copperstone is the parent Company of the Copperstone Group, which, in addition to the parent Company, consists of the four wholly-owned Swedish limited liability companies Copperstone Arvidsjaur AB, Copperstone Incentive AB, Copperstone Tvistbo AB and Copperstone Viscaria AB. At the Annual General Meeting, the shareholders of the Company decide, among other things, on the composition of Copperstone's Board of Directors and the election of auditors.

The Board of Directors is ultimately responsible for Copperstone's organisation and management of the Company's affairs.

The Board of Directors appoints a CEO for Copperstone. The CEO shall oversee the day-to-day management of the Company.

The external auditor is a control body appointed by the Annual General Meeting to review the Company's annual report and accounting records as well as the Board of Directors and the CEO's management of the Company.

Governance and control of Copperstone is exercised by the shareholders at the Annual General Meeting as well as by the Board of Directors and the CEO in accordance with



Copperstone's corporate governance aims to ensure that the Company is managed in a way that is as efficient, responsible, and sustainable as possible for the shareholders. Corporate governance is a framework that comprises the rules, procedures, and processes that form the basis of the governance of the Company and that describes how rights and obligations are distributed between the Company's bodies. Together with a good corporate culture and sound values, corporate governance ensures the long-term sustainable development of the Company. The purpose is to support the Board and Management in establishing Copperstone as a leading, sustainable mining Company and to create value and transparency for shareholders.

the Swedish Companies Act, as well as other applicable external and internal rules and policies.

An internal control framework for all significant work areas, including Finance, HR and IT, has been established during the year and reviews have been carried out both internally and externally. The auditors reported their year-end review for 2023 to the Board of Directors at the Board meeting on 22 February 2024. During the financial year 2023, the Audit Committee and the auditors discussed the company's financial statements, administration, accounting and risk management. In addition, the auditors have regularly participated in committee meetings. Within the framework of the audit, the auditors also conduct an annual review of the internal controls regarding the IT environment and financial reporting. Fees and reimbursement of expenses to the auditors are paid on a current account basis and are reported in Note 4.

Compliance

External policy documents

External rules relevant to Copperstone's corporate governance primarily include the Swedish Companies Act, the Swedish Annual Accounts Act, the Code, and the Nasdaq Stockholm Rulebook for Issuers, as well as other applicable laws and regulations, such as applicable EU regulations.

Internal governing documents

Internal rules relevant to Copperstone's corporate governance primarily include the Articles of Association adopted by the Annual General Meeting and the rules of procedure adopted by the Board of Directors pertaining to the Board of Directors of Copperstone, as well as instructions for the CEO adopted by the Board of Directors.

In addition, Copperstone has adopted a number of policies and instructions with rules and principles for the Group's operations and employees. During the 2023 financial year, Copperstone's Board of Directors decided on the following policies and instructions:

- Rules of Procedure for the Board of Directors
- Instructions for the CEO
- Insider Policy
- Information and Communication Policy
- Related Party Transaction Policy
- IT Policy
- Financial Policy
- Information Security and Data Protection Policy

Furthermore, Copperstone's Board of Directors has adopted a number of policies relating to the work environment, the environment, quality, and procedures for crisis management.

Copperstone's Articles of Association

Copperstone's current Articles of Association were adopted at the Extraordinary General Meeting on 30

November 2023 and do not contain any special provisions regarding the appointment or dismissal of board members or amendments to the Articles of Association. The Articles of Association can be found in full on Copperstone's website, www.copperstone.se, under the Corporate Governance section.

Shareholders

Copperstone's share has been traded on Nasdaq Stockholm Main Market since 8 December 2023. During the period May 2011-December 2023, the Company's shares were listed on Nasdaq First North Growth Market. The Company's share capital amounts to SEK 180,160,684, divided into 90,080,342 shares. The Company has only one class of shares, and each share in the Company entitles to one (1) vote at the Annual General Meeting. The three largest shareholders/ownership groups in Copperstone are Thomas von Koch (via Company), JRS Asset Management AB (on behalf of clients) and JOHECO AB.

Annual General Meeting

The Annual General Meeting (AGM) is Copperstone's highest decision-making body, and during the meeting, shareholders exercise their decision-making power. Shareholders who are recorded in the share register on the ex-dividend date and who have notified the Company of their intention to participate in the Annual General Meeting in the manner specified in the notice, are entitled to attend and vote at the meeting, in person or through a proxy with power of attorney.

Decisions at the Annual General Meeting are normally made by a simple majority vote. In some cases, however, the Swedish Companies Act stipulates higher requirements for a majority, known as a qualified majority.

The Annual General Meeting shall be held within six months of the end of the financial year. According to Copperstone's Articles of Association, the Annual General Meeting shall be held in Kiruna or in the Municipality of Stockholm, and notice of the General Meeting shall be published in the Swedish Official Gazette and by making the notice available on the Company's website. At the time of the notice, information that the notice has been issued shall also be announced in the *Dagens Industri* newspaper. According to the Articles of Association, the Board of Directors may decide that shareholders shall be able to exercise their voting rights by post before the Annual General Meeting.

Shareholders who wish to have a matter addressed at the Annual General Meeting must submit a written request to the Board of Directors. Such a request must be received by the Board of Directors no later than seven weeks prior to the Annual General Meeting.

In addition to the Annual General Meeting, the Board of Directors shall convene an Extraordinary General Meet-

ing if it considers that there is reason to hold a General Meeting before the next Annual General Meeting, or if an auditor of the Company or shareholders representing at least one-tenth of all shares in the Company so request in order to deal with a specified matter.

Annual General Meeting 2023

The 2023 Annual General Meeting was held on 11 May 2023 at Aurora Kultur & Kongress in Kiruna. The Annual General Meeting was attended by shareholders representing 82,417,869 shares and votes in Copperstone, corresponding to 5.34 percent of the total number of shares and votes in the Company.

The AGM resolved to re-elect Sven-Erik Bucht, Jane Lundgren Ericsson, Markus Petäjämäki (also Vice Chairman of the Board), Ing-Marie Andersson Drugge, Per Colleen and Lars Seiz as members of the Board of Directors and to re-elect Jörgen Olsson as Executive Chairman of the Board. Michael Mattsson had declined re-election. The AGM also re-elected the registered accounting firm Öhrlings PricewaterhouseCoopers AB (PwC) as the Company's auditor, with authorised public accountant Martin Johansson as auditor-in-charge.

The AGM discharged the members of the Board of Directors and the CEO from liability towards the Company for the 2022 financial year.

Furthermore, the AGM resolved on, among other things:

- to adopt the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet for the 2022 financial year,
- that no dividend shall be paid and that the result shall be carried forward,
- that remuneration to the Board of Directors for the period until the Annual General Meeting 2024 shall be paid in an amount of SEK 200,000 to each of the Board members elected by the Annual General Meeting, SEK 250,000 to the Deputy Chairman of the Board of Directors (corresponding to a total amount of SEK 1,250,000) and that a monthly salary of SEK 200,000 per month, plus benefits, shall be paid to the Executive Chairman of the Board of Directors,
- that remuneration to the auditor shall be paid in accordance with approved invoices,
- authorisation for the Board of Directors to, on one or more occasions, with or without deviation from the shareholders' preferential rights, resolve to issue a maximum of 308,418,555 shares, convertibles or warrants, and
- Implementation of incentive programme 2023/2027:1 for senior executives and key employees in the Company, and implementation of incentive programme 2023/2027:2 for the Company's executive Chairman of the Board.

Extraordinary General Meetings

Copperstone held an Extraordinary General Meeting on 27 September 2023. The Extraordinary General Meeting resolved to elect Henrik Ager as a new member of the Board of Directors. Furthermore, the Extraordinary General Meeting resolved, among other things, to adopt guidelines for remuneration to senior executives and a slightly adjusted instruction for the Nomination Committee.

At an Extraordinary General Meeting on 30 November 2023, a reverse share split was resolved on, where 20 existing shares are consolidated into one new share. The reverse share split was completed on 13 December 2023.

The minutes from the 2023 Annual General Meeting and the two Extraordinary General Meetings are available on Copperstone's website, www.copperstone.se.

Nomination Committee

The Nomination Committee's task is to prepare the Annual General Meeting's decisions on election and remuneration issues and, where applicable, procedural issues for the next Nomination Committee. At the Extraordinary General Meeting on 27 September 2023, the Annual General Meeting resolved to adopt an updated instruction for and appointment of the Nomination Committee, which describes the tasks of the Nomination Committee and the appointment process for Nomination Committee members. The instruction is valid until further notice, until the Annual General Meeting resolves otherwise. The instruction for the Nomination Committee is available on the Company's website, www.copperstone.se.

In accordance with the instructions for the Nomination Committee, the Nomination Committee represents Copperstone's three largest shareholders in terms of voting rights and is tasked with, among other things, submitting proposals to the Annual General Meeting, or where applicable, the Extraordinary General Meeting, the election of Board members, Chairman of the Board, and auditor, as well as to propose Board fees and auditors' fees. The Nomination Committee also submits proposals to the Chairman of the Annual General Meeting and prepares proposals for Nomination Committee appointment guidelines.

The Nomination Committee for the 2024 Annual General Meeting comprises representatives of Copperstone's three largest shareholders as of 1 September 2023 and consists of Håkan Eriksson (representing JOHECO AB), Thomas von Koch (representing TomEnterprise AB) and Håkan Roos (representing RoosGruppen AB). Håkan Eriksson is the Chairman of the Nomination Committee. The Company's Chairman of the Board, Per Colleen, has participated in the Nomination Committee's work as

convener of the Nomination Committee's meetings and as coordinator of the exchange of information between the Nomination Committee and the Company's Board of Directors.

Shareholders were given until 7 February 2024 to submit proposals and views to Copperstone's Nomination Committee. The Nomination Committee's proposals are presented in the notice convening the Annual General Meeting. In connection with the notice, the Nomination Committee submits a reasoned statement to its proposal for the Board of Directors and an account of how the Nomination Committee's work has been conducted. The Nomination Committee's reasoned statement will be available on the Company's website in connection with the notice of the Annual General Meeting.

The Nomination Committee's work ahead of the 2024 Annual General Meeting

There has been one minuted meeting and a number of informal contacts between the members of the Nomination Committee prior to the 2024 AGM. During the autumn, two minuted meetings were held prior to the Extraordinary General Meeting held on 27 September 2023. The Nomination Committee has, among other things, discussed the recommendations on diversity and gender balance on the Board included in the Code, and conducted a Board evaluation. No fees have been paid for work in the Nomination Committee.

Board

The Board of Directors bears the overall responsibility for Copperstone's organisation and the management of the Company's operations. The Board of Directors also appoints a CEO who is responsible for the day-to-day operations of the Company and who ensures that the Board of Directors is regularly informed about matters of importance to Copperstone. The Chairman of the Board leads the work of the Board and maintains regular contact with the CEO and CEO in order to monitor the Group's operations and development.

The work of the Board of Directors is primarily regulated by the Swedish Companies Act. Furthermore, the work of the Board of Directors is regulated by the rules of procedure for the Board of Directors, which the Board of Directors, in accordance with the Swedish Companies Act, adopts annually. The rules of procedure regulate, among other things, the division of work and responsibilities between the members of the Board of Directors, the Chairman of the Board, and the CEO, and the frequency of meetings of the Board of Directors.

The Board's tasks include establishing goals and strategies, ensuring routines and systems for evaluating established targets, submitting interim reports and financial statements, managing risks, and adopting policies and guidelines. The Board of Directors shall also

continuously assess the Company's and the Group's financial situation, ensure the quality of financial reporting and internal control functions, and evaluate the Group's operations based on the established goals and guidelines adopted by the Board. The Board of Directors is also responsible for appointing the CEO. Finally, the Board of Directors decides on major investments as well as organisational and operational changes.

Composition of the Board of Directors

According to Copperstone's Articles of Association, the Board of Directors shall consist of a minimum of three members and a maximum of eight. In accordance with Swedish law, the trade unions have the right to appoint members to the Board of Directors. In 2023, the trade unions were not represented on Copperstone's Board of Directors.

Copperstone's CEO and CFO participate, where applicable, at Board meetings and prepare matters for the Board of Directors to address. Emma Greiff, Attorney-at-Law at Hannes Snellman Advokatbyrå, is the secretary of the Board of Directors. Other employees of Copperstone may, in special matters, also participate in the meetings of the Board of Directors.

The current Board of Directors consists of eight members elected for the period until the end of the Annual General Meeting 2024, seven of whom were elected by the Annual General Meeting 2023 while one member was elected by the Extraordinary General Meeting on 27 September 2023. According to the Code, the majority of the members of the Board of Directors shall be independent in relation to the Company and its senior executives, and at least two of these members shall also be independent in relation to the Company's major shareholders. The composition of the Board of Directors and an assessment of the independence of each member of the Board of Directors are presented in more detail on page 67-69.

Board evaluation

Each year, an evaluation of the Board's work shall be carried out to ensure its quality and effectiveness, and to identify whether additional expertise or experience is needed. The Chairman of the Board is responsible for ensuring that evaluations are carried out and for presenting them to the Board and the Nomination Committee. In 2023, an evaluation of the Board was carried out in the form of a questionnaire and through discussion at Board meetings. The Board evaluation for 2023 shows that the work of the Board was judged to function well.

Chairman of the Board

The Chairman of the Board leads the work of the Board, ensures that the work is carried out in an efficient and

appropriate manner, and monitors that the Board fulfils its duties. The Chairman of the Board also ensures that the Swedish Companies Act and other laws and regulations are followed, and that the Board receives sufficient information about Copperstone's operations for its work and for decision making. The Chairman monitors operations in close dialogue with the CEO and is responsible for ensuring that the Board's decisions are implemented, and serves as the Board's spokesperson.

Committees of the Board of Directors

Copperstone has appointed an Audit Committee and a Remuneration Committee, which follow up, prepare, and evaluate issues within their respective areas prior to decision by the Board of Directors. The committees that have been established are preparatory bodies and thus have no decision-making power.

The Audit Committee is tasked with monitoring the processes relating to financial reporting, risk management and internal control. The Committee also assists the Nomination Committee with proposals for the election of auditor. The Audit Committee consists of Board member Jane Lundgren Ericsson (Chairman of the Committee) and Chairman of the Board Per Colleen.

The Remuneration Committee is tasked with preparing the Board of Directors' decisions on matters relating to remuneration and other terms of employment for senior executives. The Committee prepares guidelines for remuneration to senior executives to be resolved upon by the Annual General Meeting and evaluates the application of these guidelines. The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year. The Remuneration

Committee consists of Board member Lars Seiz (Chairman of the Committee) and Board member and Vice Chairman of the Board Markus Petäjaniemi.

The work of the Board of Directors in 2023

In 2023, 24 minuted board meetings were held, of which 4 were held physically at Copperstone's head office in Kiruna and 8 were held digitally. In addition, 12 meetings were held per capsulam, which means that the Board of Directors makes decisions without meeting. The Board of Directors had a quorum at all these meetings. The attendance of Board members at Board meetings is shown in the table below.

Among the issues addressed by the Board of Directors in 2023 was the raising of external financing in the form of a directed share issue, which in June 2023 provided the Company with approximately SEK 258 million after deduction of transaction costs. On 30 August 2023, the Board of Directors resolved to appoint the former Executive Chairman of the Board Jörgen Olsson as the new CEO and to appoint Board member Per Colleen as Chairman of the Board, both of whom took up their new assignments on 4 September 2023.

Group Management and CEO

In September 2023, Jörgen Olsson, former Executive Chairman of the Board, took over as the new CEO of Copperstone. In October 2023, Copperstone made certain changes to the Company's group management, whereby the Company appointed Anna Tyni as Deputy CEO, Peter Wihlborg as the new Head of Environment and Sustainability, and Christopher Wikman as the new Head of Mine. The appointment of Peter Wihlborg and Christopher Wikman took place as a result of natural succession. At the same time, Tove Thelin Täckdal, Head

Attendance at Board meetings and in the Board's committees in 2023

Name	Position	Attendance – Board meetings	Attendance – Audit Committee	Attendance – Remuneration Committee	Independent in relation to the Company and Management	Independent in relation to the Company's major shareholders
Per Colleen ¹	Chairman	24/24	5/5	n/a	Yes	No
Markus Petäjaniemi	Vice Chairman	24/24	n/a	1/1	Yes	Yes
Henrik Ager ²	Member	24/24	n/a	n/a	No	Yes
Ing-Marie Andersson Drugge	Member	23/24	n/a	n/a	Yes	Yes
Sven-Erik Bucht	Member	24/24	n/a	n/a	Yes	Yes
Jane Lundgren Ericsson	Member	24/24	5/5	n/a	Yes	Yes
Jörgen Olsson	Member	23/24 ³	n/a	n/a	No	No
Lars Seiz	Member	24/24	n/a	1/1	Yes	Yes

1. Per Colleen was appointed Chairman of the Board on 4 September 2023 in conjunction with Jörgen Olsson, former Executive Chairman of the Board, being appointed the new CEO of Copperstone.

2. Henrik Ager was elected as a new member of the Board of Directors at an Extraordinary General Meeting on 27 September 2023. Henrik Ager was CEO of Copperstone until 4 September 2023.

3. Did not attend a meeting due to conflict of interest.

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 in the Company.

The CEO is responsible for the day-to-day management of the Company in accordance with the Board's instructions. The CEO is responsible for, among other duties, implementing all necessary measures to ensure that the organisation and control of the Company's accounting is conducted in accordance with applicable rules and regulations. The CEO shall also prepare all necessary information and documentation for the meetings of the Board of Directors and, if the Chairman so requests, convene the Board of Directors. The CEO reports to the Board of Directors and shall submit reasoned proposals for resolutions to the Board of Directors.

The CEO shall ensure that the members of the Board of Directors continuously receive the information necessary to assess the Company's financial situation. The reporting shall be such that the Board of Directors can make a well-founded assessment based on it.

Internal control and risk management

External auditor

According to Copperstone's Articles of Association, the Company shall appoint an auditor to review the Company's annual report and the accounts as well as the Board of Directors' and the CEO's administration of the Company. Copperstone's external auditor is appointed by the Annual General Meeting. The auditor audits the annual accounts and consolidated accounts. The auditor reports the results of his or her audit in the form of an audit report. The audit is conducted in accordance with the Annual Accounts Act, International Standards on Auditing, and generally accepted auditing standards in Sweden.

Fees to the auditor for the audit work are paid in accordance with approved invoices. PwC has served as Copperstone's auditor since 2010, and Martin Johansson, authorised public accountant and member of FAR (the institute for the accountancy profession in Sweden), has been auditor-in-charge since the 2020 Annual General Meeting. For more information about the auditor, see page 70..

Internal control over financial reporting

The overall purpose of internal control is to contribute to the implementation of the Company's strategies and objectives and to ensure that financial reporting is prepared in accordance with applicable laws, accounting standards, and other requirements for listed companies.

In connection with the preparations for the listing of the Company's shares on Nasdaq Stockholm Main Market,

Copperstone established a function for internal control and ensured that the Company's procedures and processes support the management so that it can ensure good control of the financial reporting.

The Board of Directors is responsible for ensuring that the Company has good internal control. The Board of Directors is responsible for establishing effective procedures for financial reporting and internal control and governs this work through the CEO. Group Management helps to ensure that information about internal control reaches employees in the Group. A prerequisite for good internal control is clearly defined values in terms of ethics and integrity and that these are communicated through governing documents such as internal policies, guidelines, and manuals. Copperstone's internal control is continuously monitored by the Board's Audit Committee.

Risk assessment

Copperstone intends to conduct an annual risk assessment. The purpose of such an assessment is to identify, document and quantify risks and their consequences and the likelihood that these may result in Copperstone not achieving its targets.

Responsibility for the Company's primary risks is allocated to the members of Group Management. Each member of Group Management is responsible for managing the risks that arise in their respective business area. The CFO is responsible for the review and management of the financial risks in the day-to-day operations, and the Board of Directors is responsible for reviewing that the Company's risk management is carried out in an efficient and appropriate manner. Internal controls are intended to be carried out on an annual basis to ensure that procedures and the process work and are complied with, and if necessary, to implement measures that the meeting needs.

Information and communication

Copperstone's information and communication channels aim to ensure that the information is identified, collected and communicated in an efficient manner and within a time frame that enables employees to perform their duties. Instructions for reporting and guidelines for reporting are communicated to the relevant employees and followed up via regular meetings and via e-mail.

Governing documents in the form of policies, guidelines, and manuals for financial reporting are communicated directly to the relevant employees. Information to external parties is communicated via press releases and on Copperstone's website. Interim reports, half-year reports, and annual reports are published and made available on the Company's website and are supplemented by meetings and presentations for investors.

Auditor's statement on the corporate governance report

To the General Meeting of Copperstone Resources AB (publ), reg. no. 556704-4168.

Assignment and responsibility

It is the board of directors who is responsible for the corporate governance report for 2023 on pages 61-66 and that it has been prepared in accordance with the Annual Accounts Act.

Focus and scope of the audit

Our review has been conducted in accordance with FAR's standard RevR 16 The auditor's review of the corporate governance report. This means that our review of the corporate governance report has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards

on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides us with sufficient basis for our opinions.

Statement

A corporate governance report has been prepared. Disclosure in accordance with chapter 6 section 6, second paragraph, items 2-6 of the Annual Accounts Act and chapter 7, section 31, second paragraph of the same law are consistent with the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm on the date shown in our electronic signature.

Öhrlings PricewaterhouseCoopers AB

Martin Johansson
*Authorised Public Accountant
Auditor-in-Charge*



Board of Directors and auditor



Per Colleen, Chairman of the Board since 2023, Board member since 2022

Born: 1969

Education and professional experience: Per holds a Master of Science in Business Administration and Economics from Lund University. He has many years of experience in the financial industry, including as former Head of Equities at AP4 in 2013-2021, SEB Investment Management in 2011-2013, and DnBNor in 2008-2011.

Other ongoing assignments: Per is CEO of TomEnterprise AB, which holds shares in Copperstone. Per is also the chairman of the board at Emplicure Holding, and a board member at Quantum Industries.

Holdings in Copperstone Resources: 150,000 shares via Company

Warrants:¹⁾ –

Independent in relation to the Company and its management, but not independent in relation to the Company's major shareholders.



Markus Petäjämäki, Vice Chairman of the Board since 2021

Born: 1959

Education and professional experience: Markus Petäjämäki has over 15 years of experience from various management positions within LKAB and was a member of LKAB's Group Management until March 2021. His most recent managerial role within LKAB was as Senior Vice President Market & Technology and he was thus responsible for sales and marketing of LKAB's iron ore products as well as R&D, with a focus on development and innovation to create LKAB's future sustainable energy and production systems. Markus has been Chairman of the Board of LKAB Malmtrafik AB and LKAB Norge AS, both 100% owned by LKAB, as well as a Board member of Hybrit Development AB and MEFOR.

Other ongoing assignments: Markus is a board member and Chairman of Last & Terräng Häggroths Traktor Aktieföretag and Kiruna Cargo AB. In addition, he is a board member of Impulseradar Sweden AB and a deputy board member of Lemape AB.

Holdings in Copperstone Resources: 11,250 shares.

Warrants:¹⁾ 62,500 (2021/2024:2) and 37,500 (2022/2025:2) through Lemape AB

Independent in relation to the Company and its management, as well as in relation to the Company's major shareholders.



Henrik Ager, Board member since 2023

Born: 1969

Education and professional experience: Henrik studied at the Stockholm School of Economics. Henrik was previously a partner at the consulting firm McKinsey where he worked for 16 years with a focus on the mining industry as well as strategic and operational work for global and Swedish mining companies. During eight years at Sandvik, Henrik was Head of Strategy for the Mining business area, Head of the Sandvik Rock Tools Division, and Head of the Company's largest business area, Sandvik Mining and Rock Solutions, with approximately 17,000 employees. During the period December 2022 and September 2023, Henrik served as CEO of Copperstone.

Other ongoing assignments: Henrik is a member of the Board of Directors of Re:NewCell AB and CEO of Höganäs AB.

Holdings in Copperstone Resources: 0 shares.

Warrants:¹⁾ 50,000 (2022/2025:1)

Not independent in relation to the Company and its management or in relation to the Company's major shareholders.



Ing-Marie Andersson Drugge, Board member since 2022

Born: 1962

Education and professional experience: Ing-Marie has extensive experience in the mining and construction industry. Ing-Marie grew up in MalMBERGET and has a Master of Science in Engineering in Metallurgy and Materials Science from Luleå University. Ing-Marie has previously held senior positions at BillerudKorsnäs, Boliden, and Outokumpu.

Other ongoing assignments: Factory Manager at Munters, a global leader in innovative, energy-efficient, and sustainable climate solutions for mission-critical processes where temperature and humidity control are operation-critical.

Holdings in Copperstone Resources: 75 shares

Warrants:¹⁾ 25,000 (2022/2025:2)

Independent in relation to the Company and its management, as well as in relation to the Company's major shareholders.



Sven-Erik Bucht, Board member since 2019

Born: 1954

Education and professional experience: Sven-Erik Bucht was Minister for Rural Affairs in the Swedish government in 2014-2019. Member of Parliament 2010-2019. Prior to that, Chairman of the Municipal Executive Board and Municipal Commissioner in Haparanda. Has previously, during 2020-2023, represented Sweden in the Nordic Freedom of Movement Council. He has previously held positions as CEO, Sales Manager, and Head of Property Management.

Other ongoing assignments: Sven-Erik is a board member of the Swedish Pensions Agency.

Holdings in Copperstone Resources: 127,752 shares.

Warrants:¹⁾ 100,000 (2021/2024:2)

Independent in relation to the Company and its management, as well as in relation to the Company's major shareholders.



Jane Lundgren Ericsson, Board member since 2020

Born: 1965

Education and professional experience: Jane Lundgren Ericsson holds a Master of Laws degree from Stockholm University and an LL.M. from the University of London. Jane has more than 20 years of experience in the financial and capital markets and in leading positions within the AB Svensk Exportkredit, where she was part of the Group Executive Management from 2005 to 2018.

Other ongoing assignments: Jane is a board member of SBAB Bank since 2013. She is also board member of AB Sveriges Säkerställda Obligationer (publ), Miskatonic Ventures Aktiebolag, Ineytt AB, Bokio AB, and Visma Financial Solutions. She is also CEO of Flex Applications AB.

Holdings in Copperstone Resources: 70,873 shares.

Warrants:¹⁾ 100,000 (2021/2024:2) and 100,000 (2022/2025:2)

Independent in relation to the Company and its management, as well as in relation to the Company's major shareholders.

¹⁾ All warrants have been recalculated due to the reverse share split in 2023.



Jörgen Olsson, Board member since 2020, CEO since 2023

Born: 1961

Education and professional experience: Jörgen Olsson has a Bachelor of Science in Business and Economics from Luleå University. Jörgen has an extensive track record of building corporate culture, financing and profitable growth, for example, as former Chairman and CEO of Hoist Finance, which has approximately 1,700 employees.

Other ongoing assignments: Jörgen is a board member and Chairman of Kiruna Växer cooperation,, a board member of Deciso AB and an deputy board member of JOHECO AB.

Holdings in Copperstone Resources: 15,048 shares privately and 3,550,000 through JOHECO.

Warrants:¹⁾ 150,000 (2021/2024:2), 250,000 (2022/2025:2) and 125,000 (2023/2027:2)

Not independent in relation to the Company and its management and not independent in relation to the Company's major shareholders.



Lars Seiz, Board member since 2020

Born: 1960

Education and professional experience: Lars holds a B.Sc. in Finance and Marketing from Uppsala University and further education in financial theory from the Stockholm School of Economics. He has over 30 years of experience in the financial sector with leading positions in, among others, SEB and the Second Swedish National Pension Fund. Between 2008 and 2016, he was a member of the Board of Directors of Barramundi Asia Pte Ltd. in Singapore. In recent years, he has also co-founded several companies in various industries, where he currently acts as an advisor in financing and corporate affairs.

Other ongoing assignments: Board memeber of Handelsbanken Fonder AB.

Holdings in Copperstone Resources: 175,000 shares.

Warrants:¹⁾ 164,000 (2021/2024:2) and 100,000 (2022/2025:2)

Independent in relation to the Company and its management, as well as in relation to the Company's major shareholders.

Auditor

Martin Johansson, Auditor-in-Charge

Born: 1967

The Annual General Meeting on 11 May 2023 re-elected Pricewaterhouse-Coopers AB, 556067-4276, as auditor for the period until the end of the Annual General Meeting in 2024. Martin Johansson is Auditor-in-Charge since 2020. Martin Johansson is an Authorised Public Accountant and a member of FAR (the Swedish Institute of Authorised Public Accountants).

¹⁾ All warrants have been recalculated due to the reverse share split in 2023.



Group Management



Jörgen Olsson, President and CEO since 2023

Education and professional experience: Jörgen Olsson has a Bachelor of Science in Business and Economics from Luleå University. Jörgen has an extensive track record of building corporate culture, financing and profitable growth, for example, as former Chairman and CEO of Hoist Finance, which has approximately 1,700 employees. Jörgen was Executive Chairman of the Board of Copperstone 2020-2023.

Holdings in Copperstone Resources: 3,550,000 shares (through JOHECO), and 15,048 shares (private holdings).

Warrants:¹⁾ 150,000 (2021/2024:2), 250,000 (2022/2025:2) and 125,000 (2023/2027:2)



Anna Tyni, Deputy CEO since 2023

Education and professional experience: Anna Tyni has an education as a mechanical engineer from Luleå University of Technology, with a focus on design. She has over 20 years of experience from leading positions within LKAB in Kiruna, including as Operations Manager and responsible for the start-up of the Leveäniemi mine, Production Manager at LKAB's beneficiation plant, and Production Manager at LKAB Berg och Betong and LKAB Minerals. Prior to joining Copperstone, Anna worked as a Market Area Manager at BDX Företagen in Kiruna. Anna was COO and then CEO of Copperstone Viscaria during 2020-2023.

Holdings in Copperstone Resources: 45,750 shares

Warrants:¹⁾ 25,000 (2021/2024:1), 50,000 (2022/2025:1) and 20,000 (2023/2027:1)

Frida Keskitalo, CFO since 2023



Education and professional experience: Frida holds a Master of Science in Business and Economics from the School of Business, Economics and Statistics at Umeå University. She started her career at LKAB in Kiruna in 2005 and has since held a number of roles within LKAB, several of which have been in leading positions. She has, among other duties, worked as an accountant, responsible for the financial statements of LKAB Parent Company, and operational controller in the Sales & Logistics unit. Her most recent role was as Section Head of Operations and Maintenance at LKAB Malmtrafik AB Terminal.

Holdings in Copperstone Resources: 0 shares.

Warrants:¹⁾ 45,000 (2022/2026) and 10,000 (2023/2027:1)

Karin Lindgren, Head of Geology since 2023



Education and professional experience: Karin holds a Bachelor of Science degree with a major in Natural Resources Engineering from Luleå University of Technology. Karin has extensive experience in exploration from several roles over approximately ten years at the mining Company LKAB, most recently as Section Head of the Exploration department.

Holdings in Copperstone Resources: 0 shares.

Warrants: 35,000 (2022/2026) and 20,000 (2023/2027:1)

Michael Mattsson, Head of Business Development since 2021



Education and professional experience: Michael holds an MSc from the Stockholm School of Economics. Michael has extensive experience in mergers and acquisitions (M&A), IPO, rights issues, and asset management from Enskilda Securities, Blackstone (New York), and Kaupthing. Michael was CEO of Copperstone 2018-2021 and a member of the board 2015-2023.

Holdings in Copperstone Resources: 1,133,459 shares.

Warrants:¹⁾ 162,500 (2021/2024:1) and 19,057 (2022/2025:2)



Emma Mäkitaavola, Head of Project Office since 2021

Education and professional experience: Emma holds a Master of Science in Engineering from the Institute of Technology at Linköping University. Previously, she worked as a manager at Ericsson in Sweden and China, after which she moved to Norrbotten, Sweden. For the past 10 years, she has worked in the mining industry in production, as a maintenance manager for a beneficiation plant, and as a contractor in various roles and industries. Emma's most recent position was business area manager for one of Norrbotten's largest mechanical and welding companies

Holdings in Copperstone Resources: 374 shares.

Warrants:¹⁾ 25,000 (2021/2024:1), 20,000 (2022/2025:1) and 20,000 (2023/2027:1)



Thomas Nordmark, Head of Infrastructure and Logistics since 2021

Education and professional experience: Thomas Nordmark has almost 40 years of experience in infrastructure and logistics. He has international experience from working in the US, Indonesia, and Saudi Arabia in the steel and electric power industry for ABB before returning to Kiruna and LKAB where, as LKAB's first railway specialist, he was involved in making rail transport for ore the most efficient in Europe. He has also participated in the restart of the Pajala mine as manager of the transshipment terminal in Svappavaara and the rail transports to Narvik. Thomas Nordmark holds a Master of Science in Industrial Logistics from Luleå University of Technology.

Holdings in Copperstone Resources: 1,500 shares

Warrants:¹⁾ 15,000 (2022/2025:1) and 5,000 (2023/2027:1)

Tove Thelin Täckdal, Head of Enrichment since 2021



Education and professional experience: Tove Thelin Täckdal has 15 years of experience in the mining industry, of which 10 years in senior positions, such as production manager for maintenance at LKAB's processing plant and as plant manager for LKAB's two largest enrichment plants; Enrichment Plant 3 and Pellet Mill 4.

Holdings in Copperstone Resources: 0 shares.

Warrants:¹⁾ 25,000 (2021/2024:1), 20,000 (2022/2025:1) and 10,000 (2023/2027:1)

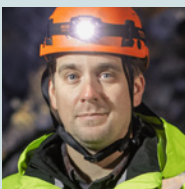
Peter Wihlborg, Head of Environment and Sustainability since 2023



Education and professional experience: Peter Wihlborg has over 25 years of experience as an environmental researcher, environmental coordinator, and project manager at the Gulf of Bothnia Water Authority, as well as an environmental consultant specialising in permit issues. Peter has a background as an environmental scientist and holds a master's degree in earth science from Uppsala University and a doctorate in environmental science from Linköping University. Peter has been Environmental Manager for Copperstone since 2022.

Holdings in Copperstone Resources: 2,250 shares.

Warrants:¹⁾ 25,000 (2022/2025:1) and 20,000 (2023/2027:1)



Christopher Wikman, Head of Mine since 2023

Education and professional experience: Christopher Wikman has 12 years of experience in tunnelling and mining, and has held various senior positions within LKAB Berg & Betong, most recently as Section Head for Tunnelling and Production. Prior to joining LKAB, Christopher worked for the Swedish Armed Forces.

Holdings in Copperstone Resources: 1,856 shares.

Warrants:¹⁾ 5,000 (2022/2026) and 20,000 (2023/2027:1)

¹⁾ All warrants have been recalculated due to the reverse share split in 2023.



Board of Directors' Report

The Board of Directors and the CEO of Copperstone Resources AB (publ), Corporate Identity Number 556704-4168, hereby submit the annual report for the financial year 1 January 2023 to 31 December 2023.

Activities

Copperstone Resources AB (publ) is a Company that works to become a modern and responsible producing mining Company through the reopening of the Viscaria mine in Kiruna.

The deposit's high copper content, estimated mineral resources, geographical location, and growing team of experienced employees provide favourable conditions for Copperstone to become an important supplier of high-quality 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 exploitation concessions and exploration permits in Arvidsjaur (Eva, Svartliden, Granliden) and Smedjebacken (Tvistbo mine) – all in Sweden. The Group has four wholly owned subsidiaries; Copperstone Viscaria AB, Copperstone Arvidsjaur AB, Copperstone Tvistbo AB and Copperstone Incentive AB, which together constitute the Group in the financial reporting below.

The parent Company of the group, Copperstone Resources AB (publ), is a Swedish public limited liability Company with its registered office in Kiruna and head office at Österleden 24 A, 981 38 Kiruna, Sweden. Copperstone's stock is listed on Nasdaq Stockholm's main market in the Mid Cap segment.

Vision and strategy

Copperstone's vision is responsible mining for a sustainable future.

The Company's strategy is summarised in the following three points:

- to develop the Viscaria deposit into a modern copper mine that will initially produce approximately 30,000 tonnes of copper per year. Production will take place in a sustainable and environmentally friendly manner using the latest technology and in coexistence with the Company's stakeholders, including the local community.

- to further explore the Viscaria deposit to further improve the mine's future economic conditions with higher grades, longer lifetime, and thus higher future production volumes.
- to explore the Arvidsjaur area, a potentially very significant amount of base and precious metals. Mine opening is not planned until after the Viscaria mine has been reopened.

Significant events during the year

- In January, Frida Keskitalo was appointed CFO, a position she took up at the beginning of April. Frida Keskitalo has a background from LKAB, where she has held a number of different positions in finance and accounting.
- On 9 February, Norrlandsfonden invested an additional SEK 5.6 million in a convertible debenture in Copperstone. The convertible debentures give Norrlandsfonden the right, but not the obligation, to request conversion of all or part of the holding until 31 December 2028.
- On 24 May, the Land and Environment Court in Umeå District Court announced Copperstone's application for an environmental permit for the reopening of the Viscaria mine in Kiruna. The announcement means that the court considers the application to be complete in order to be examined. Since the application for an environmental permit was submitted in March 2022, Copperstone has supplemented the application on three occasions.
- In June, a directed share issue of SEK 258 million was carried out after issue costs. The issue, which took place with through the authorisation from the Annual General Meeting in May 2023, was made at a subscription price of SEK 1.07¹⁾ per share. A number of institutional owners as well as major existing shareholders subscribed for new shares in the issue.

¹⁾ Adjusted for the 20:1 reverse stock split in December 2023, the subscription price corresponds to SEK 21.40 per share.

- At the end of June, the Chief Mining Inspector decided to grant Copperstone a land allocation for the Viscaria project in accordance with the application. Through the decision, the Chief Mining Inspector designates the land that may be used for mining activities and determines the compensation to be paid to the landowners and rights holders for the designated land.
- In August, CEO Henrik Ager announced his resignation, and the Board of Directors elected to appoint Jörgen Olsson, former Executive Chairman of the Board, as new CEO and Per Colleen as Chairman of the Board. At an Extraordinary General Meeting in September 2023, Henrik Ager was elected as a new board member of Copperstone.
- In October, a number of changes were made to Group Management. Anna Tyni was appointed Deputy CEO of Copperstone. Peter Wihlborg became the new Head of Environment and Sustainability and Christopher Wikman became the new Head of Mine. At the same time, Tove Thelin Täckdal, Head of Enrichment, and Thomas Nordmark, Head of Logistics and Infrastructure, joined Group Management.
- In December, Copperstone's stock was listed on Nasdaq Stockholm's Main Market after previously being listed on Nasdaq First North Growth Market. In December, a reverse stock split of the Company's shares was also carried out, where 20 existing shares were consolidated into 1 new share.

Economic development

During the year, Copperstone has continued the planning and preparation work for the restart of the Viscaria copper mine in Kiruna. Among other things, detailed plans have been drawn up for the beneficiation plant to be built, for mining operations, and for infrastructure and logistics in the area. This includes an eventual connection to the Malmbanan for the mine to be put into operation. Exploration work has also continued at a high pace during the year, mainly resource drilling in the Viscaria area in order to increase awareness of the mineralisation lodes.

In 2023, Copperstone received new financing of SEK 258 million through a directed share issue to a number of new institutional owners and major existing shareholders. In addition, a convertible loan of SEK 5.6 million was signed by Norrlandsfonden.

Net sales and profit

Capitalised expenses related to exploration and evaluation assets amounted to SEK 260 million (185) during January-December 2023. Net sales amounted to SEK 0 (0) million and operating profit amounted to SEK -42.9 (-20.2) million. Profit after tax for the period

January-December amounted to SEK -30.1 million (-21.8). A non-recurring item relating to costs for the listing process was charged to profit for the year with SEK 8 million. Earnings per share before and after dilution amounted to SEK -0.36 (-0.33).

Investments

Capitalised expenses relating to exploration and evaluation assets amounted to SEK 260 million (185). Investments in property, plant and equipment amounted to SEK 49.6 million (60.2).

Cash flow and financial position

The Group's cash flow amounted to SEK -62.8 million (204) during January-December 2023, and was mainly affected by new issues and redemptions of warrants on the financing side, as well as by accrued costs for exploration drilling, process water and construction of a new bridge in investment activities. Cash flow from operating activities amounted to SEK -24.3 (-16.5) million. Cash flow from investing activities amounted to SEK -309 million (-245) and net cash flow from financing activities during the period amounted to SEK 271 million (467).

The Group's cash and cash equivalents amounted to SEK 266 million (329) as of 31 December 2023.

Equity amounted to SEK 1,228 million (987). Total assets at the end of the year amounted to SEK 1,294 million (1,064). Capitalised investments in exploration assets amounted to SEK 899 million (639) at the end of the period and consist mainly of core drilling and project development at Viscaria.

Employees

As of 31 December 2023, the number of employees in Copperstone was 31 (31). In 2024, recruitment will continue as the Viscaria project develops. For further information on the number of employees, gender distribution, and personnel costs, see Note 5.

Related party transactions

In addition to the acquisition of warrants, two events were noted in 2023 that constitute related transactions. For more information, see Note 23.

Prospects

Copperstone's financial position is solid, with a cash position of just over SEK 266 million at the end of the 2023 financial year. Sufficient working capital is expected to be secured for the current year and for the beginning of 2025. The Board of Directors' assessment is that Copperstone will be able to use long-term leverage of approximately 60 percent for future financing of the mine and beneficiation plant.

The copper price is relatively stable, albeit with some increased volatility as a result of recent global uncertainty. Short-term fluctuations in copper prices and exchange rates are not expected to affect the Company in the ongoing preparation phase. The price of copper on the London Metal Exchange has risen by approximately 30 percent over the past five years. From a longer-term perspective, there remains a large demand gap for copper. In addition, Copperstone benefits from the trend towards more locally produced minerals as well as a long-term increase in demand from future European customers. In the medium to long terms, the demand for responsibly produced copper in the EU is expected to increase further.

Environmental permit application

In order to restart the Viscaria mine with associated beneficiation plant and landfills, a permit is required in accordance with the Environmental Code. The application for an environmental permit was submitted on 30 March 2022 and on 24 May 2023, the application was announced by the Land and Environment Court, which means that the application was considered complete. The environmental permit application includes, among other things, the Company's plans for water management and water purification, recycling of valuable metals in old mining waste, as well as expected effects, protective measures, and compensation measures for nature and reindeer husbandry. The main hearing in the case was held in Kiruna from 30 January to 21 February 2024. The verdict is expected to be announced on April 22, 2024.

Core drilling partners

The Company is dependent on local collaborations and partners to conduct operations in the areas, including core drilling suppliers that make it possible to carry out the exploration drilling within the framework of the exploration permits held by the Company. MK Core Drilling OY, RE Drilling OY, and Norse Diamond Drilling AS are three of the drilling contractors that Copperstone has contracted for diamond drilling in Viscaria and Arvidsjaur. The collaboration with the drilling contractors is of great importance for the continued development of the Company's mineral resources. The Company may also hire other drilling contractors in Kiruna or Arvidsjaur.

Customers

Copperstone does not currently have any customers as the Company does not yet conduct any mining production.

Durability

Copperstone's sustainability work is presented on pages 36-47 in the annual report. The Company is not subject to the sustainability reporting requirements set out in Chapter 6 of the Swedish Annual Accounts Act. In the long

term, the ambition is to achieve sustainability reporting towards reporting in accordance with industry standards and the rules and regulations that make up CSRD.

Parent Company

Capitalised expenses for exploration assets amounted to SEK 3.1 (7.9) million during January-December 2023. Other operating income amounted to SEK 11.8 (8.3) million and operating profit amounted to SEK -37.5 (-19.8) million. Profit for the period was SEK -25.2 (-20.5) million. Capitalised assets were SEK 72.9 million (69.9) at 31 December and relate to continued work on deposits in Arvidsjaur.

The share and share capital

The share capital amounts to SEK 180,160,684, divided into 90,080,342 shares with a quota value of SEK 2.00 per share. The shares in Copperstone are listed on Nasdaq Stockholm's Main Market under the ticker COPP. Copperstone's ten largest owners/ownership groups hold a total of 40.5 percent of the number of outstanding shares in the Company. The largest shareholders at the end of 2023 were Thomas von Koch via companies, with 10.8 per cent of votes and capital, JRS Asset Management AB (on behalf of clients) with 5.7 per cent of votes and capital and JOHECO AB with 3.9 per cent of votes and capital.

Significant risks and uncertainties

Mineral exploration is a high-risk activity where only a few of the evaluated projects lead to producing mines. The exploration results are continuously evaluated by the Company and there is no guarantee that exploration of mineralisation lodes 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, or reduced or terminated operations. A more detailed description of the Group's risks and uncertainties can be found on pages 54-57. The Board of Directors believes that the progress made since the Viscaria acquisition in 2019 and the intensified development of the project in recent times have significantly reduced the risks.

Current guidelines for remuneration to senior executives.

Copperstone's guidelines for remuneration to senior executives were adopted at an Extraordinary General Meeting on 27 September 2023. These guidelines apply to the Executive Chairman of the Board of Directors, if any, as well as the members of the Company's Group Management Team (senior executives). The guidelines are applied to agreed remuneration, and in the event of changes to remuneration already agreed, and are valid

until the Annual General Meeting resolves to adopt new guidelines for remuneration to senior executives. The guidelines do not apply to remuneration decided by the Annual General Meeting.

The guidelines' promotion of the Company's business strategy, long-term interests, and sustainability

Copperstone is scaling up towards becoming a modern and responsibly producing mining Company through the reopening of the Viscaria mine in Kiruna. In short, the Company's business strategy is to develop the Viscaria deposit into a copper mine that will initially produce approximately 30,000 tonnes of copper per year, in a sustainable and environmentally friendly manner, with the latest technology and in coexistence with relevant stakeholders including in the local community, as well as to further explore the Viscaria area to improve the mine's future economic conditions. The strategy also includes exploring the Arvidsjaur project: a potentially very significant amount of base and precious metals.

The Board of Directors considers that the successful implementation of the Company's business strategy and safeguarding of the Company's long-term interests, including its sustainability, require that the Company is able to recruit and retain senior executives with good competence and capacity to achieve established goals. To achieve this, the Company must be able to offer competitive remuneration that motivates senior executives to do their utmost. These guidelines enable senior executives to be offered a competitive total remuneration.

Long-term share-based incentive programmes have been implemented in the Company. They have been resolved by the Annual General Meeting and are therefore excluded from these guidelines. Certain ongoing share-based incentive programmes relate to senior executives and key employees, and certain ongoing share-based incentive programmes relate to members of the Board of Directors. There are also ongoing incentive programmes that cover all employees. The outcomes of these programmes are linked to the price development of the Company's shares, and are thus linked to the Company's business strategy and long-term value creation, including its sustainability. For further information about these programmes, please refer to the Company's website www.copperstone.se.

Variable cash remuneration covered by these guidelines shall aim to promote the Company's business strategy and long-term interests, including its sustainability.

Forms of remuneration

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits, and other

benefits. In addition, the Annual General Meeting may – irrespective of these guidelines – resolve on, among other things, share- and share price-related remuneration.

Fixed cash salary

Senior executives shall be offered a fixed cash salary. The fixed cash salary shall be determined based on the senior executive's expertise, area of responsibility, and performance.

Variable cash remuneration

In addition to fixed cash salary, senior executives may receive variable cash remuneration. Variable cash remuneration covered by these guidelines shall aim to promote the Company's business strategy and long-term interests, including its sustainability.

It shall be possible to measure the fulfilment of criteria for awarding variable cash remuneration over a period of one or more years. The variable cash remuneration may not amount to more than 25 percent of the total fixed cash salary during the measurement period for such criteria/of the fixed annual cash salary.

The variable cash remuneration shall be linked to pre-determined and measurable criteria, which may be financial or non-financial. They may also take the form of individualised quantitative or qualitative objectives. The criteria shall be designed so as to promote the Company's business strategy and long-term interests, including its sustainability, by, for example, being linked to the business strategy or being designed so that an increased community of interests is achieved between senior executives and the Company's shareholders.

The extent to which the criteria for awarding variable cash remuneration have been satisfied shall be assessed/determined at the end of the measurement period for fulfilment of the criteria for awarding variable cash remuneration. The Board of Directors is responsible for the assessment of variable cash remuneration to the CEO. As regards variable cash remuneration to other senior executives, the CEO is responsible for the assessment. With regard to financial objectives, the evaluation shall be based on the latest financial information made public by the Company.

Pension, etc.

For the CEO, pension benefits, including health insurance, shall be premium defined. Variable cash remuneration shall not qualify as pensionable income unless otherwise stipulated by mandatory collective agreement provisions. The pension premiums for premium-defined pension shall not amount to more than 35 percent of the fixed annual cash salary. The specified limit for pension provisions shall not prevent salary from being converted

from cash salary to pension provision in accordance with the Company's applicable policy.

For other senior executives, pension benefits, including, where applicable, health insurance, shall be premium-defined and follow from collectively agreed pension plans, unless the executive is covered by a defined benefit pension in accordance with mandatory collective agreement provisions. Variable cash remuneration shall qualify for pension benefits only to the extent required by mandatory collective agreement provisions applicable to the executive. The pension premiums for premium-defined pension shall correspond to no more than 35 percent of the fixed annual cash salary. The specified limit for pension provisions shall not prevent salary from being converted from cash salary to pension provision in accordance with the Company's applicable policy.

Insurance and other benefits

Other benefits may include, life insurance, health insurance, and Company vehicles to the extent that this is deemed to correspond to a market-based share of the fixed annual cash salary.

Termination of employment

In the event of termination by the Company, the notice period may not exceed 9 months. Fixed cash salary during the notice period and severance pay may together not exceed an amount equivalent to the fixed cash salary for 1 year. In the event of termination by the senior executive, the notice period may not exceed 9 months, without any right to severance pay.

In addition, compensation may be paid for any non-compete undertaking. Such remuneration shall compensate for any loss of income and shall only be paid to the extent that the former executive Chairman of the Board Of Directors or the senior executive is not entitled to severance pay. The remuneration shall amount to no more than 100 percent of the fixed cash salary at the time of termination, unless otherwise provided by mandatory collective agreement provisions, and shall be paid during the time that the non-compete undertaking applies, which shall not exceed 12 months after termination of employment.

Consideration of current salary and terms of employment for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, the current salary and terms of employment for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration, and increase and growth rate over time in the Board of Directors' decision-making documentation when evaluating whether the guidelines and the limita-

tions set out herein are reasonable. The gap between the remuneration of senior executives and the remuneration of other employees will be reported in the remuneration report for the Annual General Meeting.

The decision-making process for establishing, reviewing, and implementing the guidelines

The Board of Directors has established a Remuneration Committee. One of the Committee's tasks is to prepare proposals for guidelines for remuneration to senior executives. The Remuneration Committee shall prepare a proposal for new guidelines when there is a need for significant changes, and shall submit the proposal for resolution at the Annual General Meeting, but no later than every fourth year. The guidelines shall apply until new guidelines are adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration for senior executives, the application of guidelines for remuneration to senior executives, and the current remuneration structures and remuneration levels in the Company. In order to avoid conflicts of interest, members who participate in the processing of and decisions on remuneration matters for senior executives shall be independent in relation to the Company and its management. Members of executive management or the Board of Directors do not participate in the Remuneration Committee's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters. External consultation may be used in the preparation of remuneration-related matters when deemed necessary.

Derogations from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. If such derogations occur, this shall be reported in the remuneration report for the next Annual General Meeting. As stated above, the Remuneration Committee's tasks include preparing the Board of Directors' decisions on remuneration matters, which includes decisions on derogations from the guidelines.

Proposal for guidelines for remuneration to senior executives

The Board of Directors of Copperstone Resources AB (publ) proposes that the 2024 Annual General Meeting resolves on slightly revised guidelines for remuneration to senior executives. The Board of Directors' proposal for guidelines for remuneration to senior executives for the 2024 Annual General Meeting is in accordance with the

current guidelines in all material respects. The proposed guidelines include additions regarding variable cash remuneration to senior executives. The amendments clarify that the measurement period may refer to one or more years or one or more six-month periods, and that the variable remuneration may amount to no more than 100 percent of the total fixed cash salary during the measurement period. If a criterion for variable remuneration is met before the end of the measurement period, the Board of Directors shall, if deemed reasonable, have the possibility to resolve on partial early payment of variable remuneration in respect of the relevant criteria. The Board of Directors' proposal for the 2024 Annual General Meeting can be found in its entirety in the notice convening the Annual General Meeting.

Long-term incentive programme

In order to stimulate personal and long-term commitment, the Annual General Meeting on 11 May 2023 resolved to offer senior executives and key employees the opportunity to participate in a long-term incentive programme 2023/2027:1, and the Company's executive Chairman at the time to participate in a long-term incentive programme 2023/2027:2. In short, the programmes entail that the participants are offered the possibility of acquiring warrants on market terms, calculated on the basis of Black & Shole's valuation model, where twenty warrants entitle the holder to subscribe for one new share in Copperstone until 19 May 2027. The subscription price corresponds to the volume-weighted average price during a period of ten trading days until the day before the Annual General Meeting multiplied by 1.5, corresponding to a price of SEK 42.80 per share. In total, the programmes comprise 17,500 warrants, which entitle the holder to subscribe for a total of 875 new shares in Copperstone.

For more information on outstanding warrant programmes, see note 5, page 94-96.

Rights issue authorisation

At the 2023 Annual General Meeting, it was resolved to authorise the Board of Directors to, on one or more occasions, resolve to issue new shares and/or issue convertible debentures and warrants. The issues may be made with or without deviation from the shareholders' preferential rights. Through the authorisation, a maximum number of shares, corresponding to 20 percent of the total number of outstanding shares at the time of the Annual General Meeting, may be issued.

In June 2023, the Board of Directors resolved, pursuant to the authorisation granted by the Annual General Meeting, on a directed share issue corresponding to a dilution of approximately 13.8 percent of the total number of outstanding shares. The directed share issue

provided the Company with SEK 258 million after deduction of issue costs.

Events after the end of the year

- Copperstone has commenced the work of developing a feasibility study, which will be a complete basis for future financing and design of Viscaria.
- On 30 January-21 February 2024, the main hearing was held in the Land and Environment Court to process Copperstone's application for a permit under the Environmental Code. The verdict will be announced on 22 April 2024 at 13:00.
- The mineral resources in the Eva deposit in Arvidsjaur have been upgraded. The indicated and inferred mineral resources are approximately 50 percent higher than previous explorations of the area have shown.

Proposed appropriation of earnings

At the disposal of the Annual General Meeting are profits of SEK 973 million. The Board of Directors of Copperstone proposes that the 2024 Annual General Meeting resolves that the profits shall be carried forward. The Board of Directors' assessment is that cash dividends are not justifiable with reference to the requirements that the nature, scope, and risks of the business place on the Company's and the Group's equity, as well as the Company's and the Group's operations' consolidation needs, liquidity, and overall financial position.

The following profits are at the disposal of the Annual General Meeting:

SEK	2023
Share premium account	1,224,576,765
Retained earnings	-226,294,490
Net profit for the year	-25,191,769
Total	973,090,506

The Board of Directors proposes that the profits be allocated so that:

Carried forward	973,090,506
Total	973,090,506

Financial statements and notes

The Group's earnings and financial position in general are presented in subsequent reports on comprehensive income, financial position, cash flows, and changes in equity, as well as notes. The Parent Company's earnings and financial position are presented in the subsequent income statement, comprehensive income statement, balance sheet, changes in equity, cash flow statement, and notes. All amounts are stated in SEK million unless otherwise stated.



Five year summary

Unless otherwise stated, all amounts are reported in SEK million.

THE GROUP	2023	2022	2021	2020	2019
Net sales, SEK million	–	–	–	–	–
Profit after financial items, SEK m	-30.1	-21.8	-16.2	,6.9	-14.6
Balance sheet total, SEK m	1,294.0	1,063.7	606.9	347.8	333.3
Number of employees	34	26	23	9	4
Equity ratio, %	95	93	89	85	79
Earnings per share after tax (before dilution), SEK	-0.36	-0.33	-0.31	0.22	-0.68
Earnings per share after tax (diluted), SEK	-0.36	-0.33	-0.31	0.22	-0.68
Equity per share, SEK	13.63	12.86	9.71	9.26	9.52
PARENT COMPANY	2023	2022	2021	2020	2019
Net sales, SEK million	–	–	–	–	–
Profit after financial items, SEK m	-25.2	-20.5	-16.1	-13.9	-15.7
Balance sheet total, SEK m	1,245.5	,1,005.3	558.0	332.5	348.1
Number of employees	11	4	4,	7	4

The definitions of key ratios are presented in Note 2.



Consolidated statement of comprehensive income

Consolidated income statement

SEK MILLION	NOTE	2023	2022
Operating income and capitalised expenses			
Capitalised expenses related to exploration and evaluation assets	9	259.5	185.1
Other operating income		1.2	0.3
Total operating income and capitalised expenses		260.7	185.5
Operating expenses			
Other external costs	4	-251.9	-167.0
Employee remuneration costs	5	-47.2	-32.4
Depreciation and amortisation of intangible assets and property, plant, and equipment	6	-2.8	-5.4
Other operating expenses		-1.7	-0.8
Total operating expenses		-303.6	-205.7
Operating income		-42.9	-20.2
Profit/loss from financial items			
Financial income	7	7.4	0.4
Financial expenses	7	5.5	-2.0
Net financial items		12.9	-1.5
Profit after financial items		-30.0	-21.8
Profit before tax	8	-30.0	-21.8
Tax on profit for the year	8	-0.1	-
NET PROFIT FOR THE YEAR	28	-30.1	-21.8
OTHER COMPREHENSIVE INCOME			
Total comprehensive income for the year		-30.1	-21.8
Attributable to:			
Parent company's shareholders		-30.1	-21.8
TOTAL		-30.1	-21.8
NUMBER OF SHARES			
Number of shares at year-end		90,080,342	76,715,118
Average number of shares, before dilution		83,908,556	66,566,490
Average number of shares, after dilution		83,908,556	66,566,490
Earnings per share*		-0.36	-0.33

*There are warrant programmes and convertible loans that may result in dilution, but since the result is negative, no dilution effect arises



Consolidated balance sheet

SEK MILLION	NOTE	2023-12-31	2022-12-31
FIXED ASSETS			
Intangible assets			
<i>Intangible assets</i>			
Capitalised expenses related to exploration and evaluation assets	9	899.0	639.5
Total intangible assets		899.0	639.5
<i>Property, plant, and equipment</i>			
Mining infrastructure	10	54.8	2.2
Improvement costs on non-owned property	11	0.6	0.8
Right-of-use assets	12	5.5	16.7
Equipment, tools, and installations	13	14.5	1.2
In-progress construction and advances in respect of property, plant, and equipment	14	37.0	58.2
Total property, plant, and equipment		112.3	79.0
<i>Financial fixed assets</i>			
Deferred tax assets		–	–
Other long-term receivables	15, 16	0.2	0.2
Total financial fixed assets		0.2	0.2
Total fixed assets		1 011.5	718.7
Current assets			
<i>Current receivables</i>			
Accounts receivable	16	–	0.3
Current tax assets		1.2	0.4
Other current receivables	16	11.9	10.1
Prepaid expenses and accrued income	17	3.1	5.0
Total current receivables		16.2	15.8
Cash and cash equivalents	16, 18	266.3	329.2
Total current assets		282.5	345.0
TOTAL ASSETS		1,294.0	1,063.7

cont. Consolidated balance sheet

SEK MILLION	NOTE	2023-12-31	2022-12-31
Equity and liabilities			
Equity	28		
Share capital	19	180.2	153.4
Other capital contributions		1 202.5	958.6
Retained earnings including comprehensive income for the year		-155.1	-125.5
Total equity		1,227.5	986.6
Long-term liabilities			
Convertible debentures	16, 20	14.5	21.6
Lease liability	12, 16, 20	3.2	11.5
Total long-term liabilities		17.7	33.1
Current liabilities			
Accounts payable	16	27.6	24.3
Lease liability	12, 16, 20	2.3	5.3
Other current liabilities	16	3.9	4.5
Accrued expenses and prepaid income	21	15.1	10.0
Total current liabilities		48.8	44.0
TOTAL EQUITY AND LIABILITIES		1,294.0	1,063.7



Consolidated statement of changes in equity

SEK MILLION	Share capital	Other capital contributions	Retained earnings including profit for the year	Total equity
Opening equity 2022-01-01	111.7	537.3	-106.6	542.4
Correction of convertible debentures		-0.2		-0.2
Adjusted opening balance 2022-01-01	111.7	537.1	-106.6	542.2
Other comprehensive income				
Net profit for the year			-21.8	-21.8
Total comprehensive income	-	-	-21.8	-21.8
Transactions with shareholders				
New share issue	41.7	427.0		468.7
Issue costs		-5.5		-5.5
Convertible debentures		0.0		0.0
Warrants*			2.9	2.9
Total transactions with shareholders	41.7	421.5	2.9	466.1
CLOSING EQUITY 2022-12-31	153.4	958.6	-125.5	986.6
Opening equity 2023-01-01	153.4	958.6	-125.5	986.6
Other comprehensive income				
Net profit for the year			-30.1	-30.1
Total comprehensive income	-	-	-30.1	-30.1
Transactions with shareholders				
New share issue	24.9	241.1		266.0
Issue costs		-8.4		-8.4
Convertible debentures	0.8	4.3		5.1
Warrants*	1.1	6.9	0.5	8.5
Total transactions with shareholders	26.8	243.9	0.5	271.2
CLOSING EQUITY 2023-12-31	180.2	1,202.5	-155.1	1,227.5

*For information about the warrant programme, see section under Share capital and ownership and note 6.



Consolidated statement of cash flow

SEK MILLION	NOTE	2023	2022
Ongoing operations			
Operating income		-42.9	-20.2
Adjustment for items not included in cash flow, etc.	24	6.1	5.1
Interest received		7.4	0.4
Interest paid		-2.2	-2.0
Income tax paid		-0.9	-0.4
Cash flow before changes in working capital		-32.5	-17.1
Increase/decrease in accounts receivable		0.3	-0.3
Increase/decrease in other current receivables		0.1	-8.3
Increase/decrease in accounts payable		3.3	6.0
Increase/decrease in other current operating liabilities		4.5	3.2
Cash flow from operating activities		-24.3	-16.5
Investment			
Expenses related to exploration and evaluation assets	9	-259.5	-185.1
Investments in property, plant, and equipment	13, 14	-49.6	-60.2
Sale of property, plant, and equipment		0.1	-
Change in financial fixed assets		-	0.1
Cash flow from investment activities		-309.1	-245.2
Financing activities			
New share issue		257.6	463.3
Warrants		8.5	2.9
Loans	25	5.6	5.5
Amortisation of lease liability	25	-1.2	-5.0
Cash flow from financing activities		270.5	466.6
Cash flow for the period		-62.8	204.9
Cash and cash equivalents at start of period		329.2	124.3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18	266.3	329.2



Financial reports parent company

Parent company income statement

SEK MILLION	NOTE	2023	2022
Operating income and capitalised expenses			
Capitalised expenses related to exploration and evaluation assets	9	3.1	7.9
Other operating income		11.8	8.3
Total operating income and capitalised expenses		14.9	16.2
Operating expenses			
Other external costs	4	-32.6	-24.7
Personnel costs	5	-19.5	-11.2
Depreciation and amortisation of intangible assets and property, plant, and equipment	6	-	-
Other operating expenses		-0.2	-0.1
Total operating expenses		-52.3	-36.0
OPERATING INCOME		-37.5	-19.8
Profit/loss from financial items			
Loss from participations in Group companies		-0.5	-
Other interest income and similar profit/loss items	7	6.9	0.4
Interest expenses and similar profit/loss items	7	5.8	-1.1
Total income from financial items		12.3	-0.7
Profit after financial items		-25.2	-20.5
Tax on profit for the year	8	-	-
NET PROFIT FOR THE YEAR	28	-25.2	-20.5

Parent company statement of comprehensive income

SEK MILLION	NOTE	2023	2022
Other comprehensive income		-	-
Total comprehensive income for the period		-25.2	-20.5



Parent company balance sheet

SEK MILLION	NOTE	2023-12-31	2022-12-31
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalised expenses related to exploration and evaluation assets	9	72.9	69.9
Total intangible assets		72.9	69.9
<i>Property, plant, and equipment</i>			
Equipment	13	–	0.1
Total property, plant, and equipment		–	0.1
<i>Financial fixed assets</i>			
Participations in Group companies	26	226.7	227.2
Other long-term receivables	15, 16	–	–
Total financial fixed assets		226.8	227.2
TOTAL FIXED ASSETS		299.7	297.2
Current receivables			
<i>Short-term receivables</i>			
Receivables from Group companies		704.1	409.8
Current tax assets		0.9	0.4
Other current receivables	16	2.1	0.5
Prepaid expenses and accrued income	17	1.3	0.4
Total current receivables		708.3	411.0
Cash and cash equivalents	16, 18	237.4	297.1
Total current assets		945.8	708.1
TOTAL ASSETS		1,245.5	1,005.3

cont. Parent company balance sheet

SEK MILLION	NOTE	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity	28		
<i>Restricted equity</i>			
Share capital	19	180.2	153.4
Fund for development expenditure		53.8	50.8
Total restricted equity		234.0	204.2
<i>Non-restricted equity</i>			
Share premium		1195.9	952.0
Retained earnings		-197.6	-174.0
Net profit for the year		-25.2	-20.5
Total non-restricted equity		973.1	757.5
TOTAL EQUITY		1,207.1	961.7
Long-term liabilities			
Convertible debentures	16, 20	14.5	21.6
Total long-term liabilities		14.5	21.6
Current liabilities			
Accounts payable	16	3.8	2.6
Liabilities to Group companies		14.5	14.5
Current tax liabilities			
Other current liabilities		2.1	3.0
Accrued expenses and prepaid income	21	3.5	1.9
Total current liabilities		23.9	22.0
TOTAL EQUITY AND LIABILITIES		1,245.5	1,005.3



Changes in equity of the parent company

SEK MILLION	Share capital	Fund for development expenditure	Share premium	Retained earnings	Net profit for the year	Total equity
Opening equity 2022-01-01	111.7	42.9	530.6	-150.0	-16.1	519.1
Correction of convertible debentures			-0.2			-0.2
Adjusted opening balance 2022-01-01	111.7	42.9	530.4	-150.0	-16.1	518.9
Comprehensive income						
Appropriation of previous year's profit:				-16.1	16.1	-
Net profit for the year					-20.5	-20.5
Total comprehensive income	-	-	-	-16.1	-4.4	-20.5
Transactions with shareholders						
New share issue	41.7		427.1			468.8
Issue costs			-5.5			-5.5
Fund for development expenditure		7.9		-7.9		-
Total transactions with shareholders	41.7	7.9	421.6	-7.9	-	463.3
CLOSING EQUITY 2022-12-31	153.4	50.8	952.0	-174.0	-20.5	961.7
Opening equity 2023-01-01	153.4	50.8	952.0	-174.0	-20.5	961.7
Comprehensive income						
Appropriation of previous year's profit:				-21.1	21.1	-
Adjustment of previous year profit				0.6	-0.6	-
Net profit for the year					-25.2	-25.2
Total comprehensive income	-	-	-	-20.5	-4.7	-25.2
Transactions with shareholders						
New share issue	24.9		241.1			266.0
Issue costs			-8.4			-8.4
Convertible debentures	0.8		4.3			5.1
Correction of convertible debentures			-0.1			-0.1
Warrants	1.1		6.9			8.0
Fund for development expenditure		3.1		-3.1		-
Total transactions with shareholders	26.8	3.1	243.8	-3.1	-	270.6
CLOSING EQUITY 2023-12-31	180.2	53.9	1,195.8	-197.6	-25.2	1,207.1



Statement of parent company cash flow

SEK MILLION	NOTE	2023	2022
Ongoing operations			
Operating profit before financial items		-37,4	-19,8
Adjustment for items not included in cash flow, etc.	24	-	-0,5
Interest received		6,9	0,4
Interest paid		-1,9	-1,1
Income tax paid		-0,5	-0,3
Cash flow from operating activities before changes in working capital		-32,9	-21,3
Cash flow from changes in working capital			
Increase/decrease in other current receivables		-296,8	-250,5
Increase/decrease in accounts payable		1,1	-
Increase/decrease in other current operating liabilities		0,6	-0,4
Cash flow from operating activities		-328,0	-272,2
Investment			
Expenses related to exploration and evaluation assets		-3,0	-7,9
Sale of property, plant, and equipment		0,1	-
Changes in financial fixed assets		-	-
Cash flow from investing activities		-2,9	-7,9
Financing activities			
New share issue		257,6	463,3
Warrants		8,0	-
Loans	25	5,6	5,5
Cash flow from financing activities		271,2	468,8
Cash flow for the year		-59,7	188,7
Cash and cash equivalents at start of year		297,1	108,4
CASH AND CASH EQUIVALENTS AT YEAR-END	18	237,4	297,1

NOTE 1 GENERAL INFORMATION

Copperstone Resources AB (publ), corporate identity number 556704-4168, is a mine development company that is currently focusing its operations primarily on reopening the Viscaria mine in Kiruna. In addition to the parent company Copperstone Resources AB, Copperstone Resources Group consists of the wholly owned subsidiaries Copperstone Tvistbo AB, Copperstone Viscaria AB, Copperstone Incentive AB, and Copperstone Arvidsjaur AB. The parent company is a limited liability company registered in Sweden with its registered office in Kiruna Municipality, Norrbotten County. The Company's shares are traded on Nasdaq Stockholm. The visiting address of the head office is Österleden 24A, 981 38 Kiruna.

NOTE 2 ACCOUNTING PRINCIPLES

Basis for preparation of the reports

"The consolidated financial statements of the Copperstone Resources Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU as well as RFR 1 'Supplementary Accounting Rules for Groups' and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the cost method. The main accounting policies applied in the preparation of these consolidated financial statements are set out below. The Parent Company's financial statements have been prepared in accordance with RFR 2 'Accounting for Legal Entities' and the Annual Accounts Act.

In cases where the Parent Company applies accounting policies other than those of the Group, this is stated separately under the heading 'Parent Company's Accounting Policies'. Preparing IFRS-compliant reports requires the use of some important estimates for accounting purposes. Management is also required to make certain judgements when applying the Group's accounting policies. Areas that are complex and involve a high degree of judgement, or areas where assumptions and estimates are of material importance to the consolidated financial statements, are disclosed separately."

New and amended standards applied by the Group

No new or amended accounting standards or interpretations that entered into force on 1 January 2023 have had a material impact on Copperstone's financial statements.

New and amended standards that have not yet entered into force

No new or amended accounting standards or interpretations published and entering into force in 2024 or later have been deemed to have any material impact on Copperstone's financial statements.

Consolidated financial statements

The acquisition method is used to report the Group's business combinations. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair value at the acquisition date. Acquisition-related costs are expensed as they arise.

In the event that the acquired subsidiary is not deemed to meet the criteria for a business/operation, the transaction is reported as an acquisition of assets and must then comply with the accounting standards for each asset. The cost is then allocated to the identifiable assets (capitalised costs related to exploration and evaluation assets). Such an acquisition does not give rise to goodwill. Expenses that are directly attributable to the acquisition are capitalised as part of the acquisition value. Subsidiaries are all companies over which the Group has a controlling interest. The Group controls a company when it is exposed to or entitled to

The Parent Company's functional currency is the Swedish krona, which is also the reporting currency for the Parent Company and for the Group. This means that the financial reports are presented in SEK. All amounts in this report are stated in millions of Swedish kronor (SEK million) unless otherwise stated. Rounding differences may occur. The figures in brackets refer to the previous year.

variable returns from its holdings in the company and is able to influence the return through its influence in the company. Subsidiaries are included in the consolidated financial statements as of the date on which control is transferred to the Group. They are excluded from the consolidated financial statements as of the date on which the controlling interest ceases. Intra-group transactions and balance sheet items, as well as unrealised gains on transactions between Group companies, are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. The accounting policies for subsidiaries have been amended where appropriate to ensure consistent application of the Group's policies.

Unless otherwise indicated, the accounting policies described below have been applied consistently for all reported periods for all entities included in the financial statements. The consolidated financial statements have been prepared in accordance with the cost method unless otherwise stated.

Operating segments

The Board of Directors evaluates the Group's operations based on the Group as a whole, and therefore identifies an operating segment, i.e. exploration for and evaluation of mineral resources. Operations are conducted in Sweden. The Group's main operations are conducted in the subsidiary Copperstone Viscaria AB and in the parent company. In these companies, the Group's most important operating segment – the Viscaria project – is jointly reported.

Employee remuneration

Pension obligations

Copperstone Resources only has defined contribution plans. For these, Copperstone Resources pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. The Group has no further payment obligations once the fees have been paid. Fees are recognised as personnel costs when they are incurred. Prepaid fees are recognised as an asset to the extent that cash repayment or reduction of future payments can benefit the Group.

Short-term remuneration

Short-term employee remuneration, including holiday pay, is expensed in the period in which they are incurred. Unpaid remunerations are classified as current liabilities included in the item 'Accrued Expenses and Prepaid Income'. These are valued at the undiscounted amount that the Group is expected to pay due to the unexercised right.

Incentive programme

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 recognised as retained earnings. The holder may only obtain shares at redemption. Upon exercise of the options, the exercise price will be recognised against equity.

Borrowing expenses on assets

Borrowing costs directly attributable to the purchase, construction, and production of qualifying assets shall be recognised as part of the cost of the asset. Qualifying assets are assets that take a significant amount of time to complete. Other borrowing expenses are expensed in the period in which they arise and are recognised under 'Financial Expenses'

Intangible assets

Capitalised expenses related to exploration and evaluation assets

Expenses for exploration and evaluation of mineral resources are recognised in accordance with IFRS 6 'Exploration and Evaluation of Mineral Resources'. Exploration and evaluation assets are valued at cost and refer to all expenses directly attributable to exploration and evaluation of mineral resources. Capitalised exploration and evaluation asset expenses include expenses for geological and engineering studies, exploratory drilling, and laboratory analyses. When commercial mining commences, capitalised development costs attributable to the mine in question will no longer be classified as exploration and evaluation assets. Reclassification will be carried out and accounting will be done in accordance with IAS 16 'Property, plant, and equipment' and IAS 38 'Intangible Assets', depending on how the assets are classified. All tangible assets are recognised as property, plant, and equipment at the time of investment. Impairment losses of exploration and evaluation assets are tested when facts and circumstances indicate that the carrying amount may exceed its recoverable amount. An impairment loss is recognised as an expense in the income statement. Capitalised costs in the form of exploration and evaluation assets are written down in connection with the withdrawal of exploration permits.

Impairment testing for exploration and evaluation assets

Impairment of exploration and evaluation assets is tested, based on the requirements of IFRS 6, when facts and circumstances indicate that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances indicate that the carrying amount exceeds the recoverable amount, the measurement, classification, and disclosure are made in accordance with the requirements of IAS 36 'Impairment of Assets'.

Property, plant, and equipment

Property, plant, and equipment are recognised at cost less depreciation. The cost includes expenses that are directly attributable to the acquisition of the asset. Additional expenses are added to the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will be passed on to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised from the balance sheet. All other repair and maintenance activities are recognised as expenses in the income statement in the period in which they are incurred. Depreciation of property, plant, and equipment is dependent on the assessment of future production and thus the life of the mine. Allocating their acquisition value down to the estimated residual value over the estimated useful life, is performed linearly as follows:

Buildings:	>40 years
Land improvements:	15-40 years
Mining infrastructure:	5-40 years
Improvement costs on non-owned property:	5 years
Equipment and tools:	5-10 years
Vehicles:	3-5 years
Office equipment:	5 years
Hardware:	3 years

Mining infrastructure refers to investments that make mining operations possible, such as electricity supply, water treatment, access roads, etc. These investments can thus be categorised as both buildings and land facilities.

Mining infrastructure refers to investments that enable mining operations, such as electrical power supply, water treatment,

access roads. Those investments can therefore be categorised as both buildings and land improvements.

Gains and losses on disposal are determined by comparing the sales revenue with the carrying amount and are reported in 'Other operating income' and 'Other operating expenses' in the income statement, respectively. Property, plant, and equipment are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised by the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its usage value.

For the purposes of impairment loss assessment, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units). An impairment loss is recognised in the income statement. For property, plant, and equipment that have previously been impaired, an assessment is carried out at the end of each reporting period as to whether reversal should be made.

Right-of-use assets

The Group as lessee

Leases and associated lease payments relating to assets used in the exploration and evaluation phase are not recognised as right-of-use assets. These lease payments are capitalised in accordance with the regulations for IFRS 6 'Exploration and Evaluation of Mineral Resources'.

Valuation and recognition of leases as lessees

The Group has chosen to report short-term leases and other leases for which the underlying asset has a low value by utilising the practical solution found in IFRS 16. Instead of recognising a right-of-use asset and a lease liability, lease payments are expensed directly in respect of these leases on a straight-line basis over the lease term.

In the balance sheet, right-of-use assets have been reported separately under 'Property, Plant, and Equipment', while lease liabilities are reported separately under long-term and current liabilities.

Financial instruments

The Group's financial instruments reported in the balance sheet include cash and cash equivalents, accounts receivable, deposits and other current receivables on the asset side. On the liabilities side, there are convertible debentures, lease liabilities, accounts payable and other current liabilities.

On the asset side, the Parent Company's financial instruments include cash and cash equivalents, accounts receivables, deposits and other current receivables. On the liabilities side, there are convertible debentures, accounts payable and other current liabilities.

Classification and valuation

In the initial report, financial assets and liabilities are classified as fair value through profit or loss, amortised cost or fair value through other comprehensive income. The classification is based on the Group's business model for the management of financial assets and liabilities and the characteristics of the contractual cash flows from the financial asset. A financial asset or liability is measured at amortised cost if it is held for the purpose of collecting and paying contractual cash flows and the terms of the asset or liability give rise to cash flows at specified dates which are only payments for principal and interest on the outstanding principal. If the asset is held both for the purpose of collecting contractual cash flows and selling financial assets, it is measured at fair value through other comprehensive income. Financial assets and liabilities that are not measured at either amortised cost or other comprehensive income are measured at fair value through profit or loss. The Group values all financial instruments at amortised cost, which is a reasonable approximation of fair value.

Cash and cash equivalents

Cash and cash equivalents consist of bank balances.

Borrowing

Borrowings are initially recognised at fair value, net after transaction costs. Borrowings are then recognised at amortised cost and any difference between the amount received (net of transaction costs) and the repayment amount is recognised in the income statement distributed over the loan period, using the effective interest method. Liabilities that fall due within 12 months are classified as short-term.

Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issuance of new shares are recognised, net after tax, in equity as a deduction from the issue proceeds.

Current and deferred tax

Income taxes comprise current tax and deferred tax. Income tax is recognised in the income statement except in cases where the underlying transaction is recognised in other comprehensive income or directly in equity.

Current tax

Current tax is tax that is to be paid or received in respect of the current tax year and any adjustment of tax in respect of preceding tax years. The tax expense in question is calculated according to the tax rate applicable at the time of the assessment. In the balance sheet, tax assets or liabilities for current tax are recognised as short-term.

Deferred tax

Deferred tax is calculated on the difference between the carrying and tax values of the company's assets and liabilities. Deferred tax is recognised in accordance with the so-called balance sheet method. Deferred tax is recognised in principle on all temporary differences that arise between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is calculated using tax rates and laws that have been decided or announced as of the balance sheet date and that are expected to apply when the relevant deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future tax surpluses will be available, against which the temporary differences can be utilised.

The Group has assessed that there is no justification for recognising any deferred tax assets relating to the tax losses that exist in the Group.

Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method. Cash and cash equivalents include cash and bank balances. There are no short-term investments that could be included in cash and cash equivalents.

Definitions of key figures**Earnings per share**

Basic earnings per share are calculated by dividing the profit for the year attributable to the parent company's shareholders by a weighted average number of shares outstanding during the period. When calculating earnings per share after dilution, the number of shares is adjusted for all shares with a potential dilution effect. This includes warrants issued. An option gives rise to a dilution effect if the exercise price is less than the fair value of the Company's shares and this leads to a decrease in earnings per share after dilution.

Equity per share

Equity on the balance sheet date divided by the number of outstanding shares on the balance sheet date.

Solidity

Shareholders' equity divided by total assets.

Key estimates and assumptions for accounting purposes

Estimates and judgements are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events considered reasonable under current circumstances. The Group makes estimates and assumptions about the future. The accounting estimates resulting from these will, by definition, rarely correspond to actual profit or loss. Outlined below are estimates and assumptions that entail a substantial risk of significant adjustments to carrying amounts for assets and liabilities in the next financial year.

The company's management makes the assumption that the interest rate for all outstanding convertible debentures is the same as the market interest rate why no equity component is reported.

Impairment of exploration and evaluation assets

The value is currently recorded at cost in relation to the specific mineral permits held by the Copperstone Group. When the permit is returned, the recorded value is documented accordingly. The value of future mining operations will depend on, among other things, the expected present value of the mineral resources in relation to the recorded values. The company considers it fully realistic to develop capitalised exploration expenses in the future in line with increased mineral resources and exploitation concessions. Currently, Copperstone is in a major exploration phase aimed at securing even more significant mineral resources, which has been included in the current liquidity budget. In cases where the conditions for the underlying assessments, which form the basis for the value of the intangible assets, change and facts and circumstances emerge that indicate that the need for impairment to be tested, the value may need to be impaired. A couple of permits expired in 2023 and were deliberately not extended at the same time as new permits were obtained. The assessment is that there is no need for impairment.

Parent Company Accounting Policies

The Parent Company applies RFR 2 'Accounting for Legal Entities' and the Annual Accounts Act.

The Parent Company's accounting and valuation policies are consistent with those of the Group, except as set out below.

Composition of the income statement and balance sheet

The income statement and balance sheet follow the composition of the Annual Accounts Act. This results in differences compared with the consolidated financial statements, mainly in terms of financial income and expenses, statement of comprehensive income, and statement of changes in equity.

Participations in Group companies

Participations in Group companies are recognised at cost less any impairment losses. Dividends received are recognised as financial income. Dividends that exceed the subsidiary's comprehensive income for the period or that mean that the book value of the holding's net assets in the consolidated financial statements is less than the book value of the participations, are indicative of a need for impairment. When there is indication that shares in subsidiaries have decreased in value, a calculation of the recoverable amount is made. If this is lower than the carrying amount, an impairment loss is recognised. Impairment losses are recorded in the item 'Profit from Participations in Group Companies'.

Classification and valuation of financial instruments

The Parent Company does not apply IFRS 9, in accordance with the exception rule in RFR 2. Financial instruments are valued according to their acquisition value, taking into account the provisions on valuation of current and non-current assets in the Annual Accounts Act. Interest income and interest expenses are recognised according to the effective interest method and dividend income is recognised when the dividend has been determined. It is probable that the economic benefits accrue to the Parent Company and when the dividend can be valued in a reliable manner. The Parent Company applies the same principles as the Group with regard to when financial instruments are to be reported in and removed from the balance sheet. In addition, the same principles according to IFRS 9 are used as the Group for the assessment and calculation of impairment of receivables.

NOTE 3 FINANCIAL RISK FACTORS

In its operations, the Group is exposed to a variety of financial risks: market risk (interest rate risk), credit risk, liquidity risk, and capital risk. Due to the Copperstone Group being in an exploration and establishment phase, the Group is exposed to a limited number of risk types. This is partly due to the Group having no sales and thus no customer relations.

(i) Market risk

Interest rate risk exists on long- and short-term interest-bearing liabilities. There is also market risk on interest-bearing assets in the form of bank balances and deposits with the Mining Inspectorate of Sweden. Interest rate risk is currently limited due to limited interest-bearing liabilities. Going forward, the Group will be exposed to market risks such as raw material prices and currency effects, which affect financial calculations and assumptions.

(ii) Credit risk

Credit risk is the risk that a counterparty to a financial transaction defaults on its obligations as it falls due. Credit risk arises from bank balances, including blocked bank deposits. Only banks and financial institutions with high credit ratings are accepted into the Group.

(iii) Liquidity risk

Liquidity risk is the risk that the Group does not obtain loan financing to a sufficient extent and/or on time, or that it lacks liquid funds to pay its obligations. The company closely monitors forecasts for the Group's liquidity reserve to ensure that the Group has sufficient cash and cash equivalents to meet the needs of operating activities.

See the table below on the Group's maturity structure of financial liabilities:

Maturity analysis

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 agreed undiscounted cash flows, which may differ from the carrying amounts of the liabilities at the balance sheet date.

SEK MILLION	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Per December 2023					
Convertible debentures	0.5	1.6	2.1	21.3	5.1
Lease liabilities	0.7	1.9	18.2	1.7	–
Accounts payable	27.6	–	–	–	–

SEK MILLION	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Per December 2022					
Convertible debentures	0.3	0.8	2.5	16.7	7.7
Lease liabilities	1.4	4.1	4.7	4.4	–
Accounts payable	24.3	–	–	–	–

See also the Risk Factors section on pages 54-57.

NOTE 4 REMUNERATION TO AUDITORS

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Öhrlings PricewaterhouseCoopers AB				
Audit engagement	1.0	0.6	1.0	0.6
Other services*	3.2	–	3.2	–
Total remuneration to auditors	4.2	0.6	4.2	0.6

Audit services refer to the review of the consolidated financial statements, the accounting records and the administration of the Board of Directors, the Chairmanman of the Board and the Chief Executive Officer, as well as other assignments incumbent on the company's auditor, such as advice or other services arising from observations made during such reviews or the performance of such services. Of the total fee, SEK 1.0 million relates to the statutory audit and other services relate to advice, mainly linked to the listing process.

NOTE 5 REMUNERATION TO EMPLOYEES, ETC.**Average number of employees**

	GROUP			
	2023-12-31		2022-12-31	
	Average number of employees	Of which men	Average number of employees	Of which men
Other employees	23	18	19	15
Group Management ¹⁾	8	5	7	5
Total	31	23	26	20

	GROUP			
	2023-12-31		2022-12-31	
	Average number of employees	Of which men	Average number of employees	Of which men
Board members	8	6	7	5

1) Group management was re-organized and from October -23 consists of 10 people, of which 1 is an external employee and thus not included in the salary base or table above as of 31/12-2023.

	PARENT COMPANY			
	2023-12-31		2022-12-31	
	Average number of employees	Of which men	Average number of employees	Of which men
Other employees	-	-	-	-
Group Management	5	3	4	3
Total	5	3	4	3

	PARENT COMPANY			
	2023-12-31		2022-12-31	
	Average number of employees	Of which men	Average number of employees	Of which men
Board members	8	6	7	5

Employee remuneration

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
<i>Employee remuneration costs are broken down as follows:</i>				
Salaries – Board of Directors, CEO and Deputy CEO ¹⁾²⁾	7.6	4.4	7.6	4.4
Salaries – other employees	22.7	16.7	4.6	2.9
Pensions, defined contribution – Board of Directors, CEO and Deputy CEO	1.7	1.2	1.7	1.2
Pensions, defined contribution – other employees	2.5	1.5	0.4	-
Other social security contributions	9.4	6.4	3.9	2.3
Total	43.9	30.2	18.2	10.8

Costs and obligations regarding pensions and similar to the Board of Directors, the CEO, the Deputy CEO, and the former Board of Directors and the former CEO:

2023	Basic salary/ Board fees	Pensions	Variable remuneration including bonus	Other benefits	Total
SEK MILLION					
Jörgen Olsson, CEO from 2023-09-07 ¹⁾	0.7	0.3	0.6	0.2	1.8
Anna Tyni, Deputy CEO	1.4	0.3	–	0.1	1.8
Per Colleen, Chairmanman of the Board	0.2	–	–	–	0.2
Henrik Ager, Board Member and CEO until 2023-09-07 ²⁾	2.7	0.5	0.5	–	3.7
Ing-Marie Drugge, Board Member	0.2	–	–	–	0.2
Sven-Erik Bucht, Board Member	0.2	–	–	–	0.2
Jane Lundgren Ericsson, Board Member	0.2	–	–	–	0.2
Markus Petäjaniemi, Board Member	0.3	–	–	–	0.3
Lars Seiz, Board Member	0.2	–	–	–	0.2
Michael Mattsson, Board Member until 2023-05-23 (only refers to board fees)	0.1	–	–	–	0.1
Other senior executives (8)	7.8	1.7	0.6	0.5	10.6
Total	14.0	2.8	1.7	0.8	19.3

2022	Basic salary/ Board fees	Pensions	Variable remuneration including bonus	Other benefits	Total
SEK MILLION					
Anna Tyni, CEO until 2022-12-19	1.3	0.5	–	0.1	1.9
Henrik Ager, CEO from 2022-12-19	0.1	–	2.0	–	2.1
Jörgen Olsson, Chairmanman of the Board	1.7	0.5	–	0.1	2.3
Per Colleen, Board member	–	–	–	–	–
Ing-Marie Drugge, Board Member	0.1	–	–	–	0.1
Sven-Erik Bucht, Board Member	0.2	–	–	–	0.2
Jane Lundgren Ericsson, Board Member	0.2	–	–	–	0.2
Markus Petäjaniemi, Board Member	0.2	–	–	–	0.2
Lars Seiz, Board Member	0.2	–	–	–	0.2
Michael Mattsson, Board Member (only for board fees)	0.2	–	–	–	0.2
Gregory Hall	0.1	–	–	–	0.1
Other senior executives (6)	4.5	0.7	–	0.2	5.4
Total	8.8	1.7	2.0	0.4	12.9

1) Jörgen Olsson's remuneration pertains to the period as CEO September-December 2023

2) Henrik Ager's remuneration pertains to the period January-September 2023

The Group has entered into an agreement with the CEO under which the CEO will receive 24 months' salary in the event of termination by the company. In the event of termination by the CEO, no severance pay will be paid.

Warrant programme

Within the Group, there are incentive programmes in the form of warrant programmes for the Board of Directors, senior executives, and key employees. For information about the warrant programmes, refer to the table below

"At the Annual General Meeting on 11 May 2023, it was resolved to implement incentive programmes 2023/2027:1 and 2023/2027:2 in the form of warrants to the then Executive Chairmanman of the Board, now CEO, as well as to senior executives and key employees. Each warrant shall entitle 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 programme has been made using the Black & Scholes valuation model.

In May 2023, the subscription period for incentive programmes '2020/2023 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 8.0 million was raised to the Group through the exercise of the warrant programme. During the fourth quarter, the number of shares was changed owing to a reverse stock split. As a result of the reverse stock split, 20 existing shares were consolidated into one new share and the exercise price for the shares was recalculated*.

Incentive programs

	Shares*	Exercise price*	Maturity	SEK if exercised	No. of warrants*
2021/2024:2 Board of directors					
Jörgen Olsson	150,000	25.40	2024-12-20	3,810,000	150,000
Markus Petäjänieniemi (Lemape AB)	62,500	25.40	2024-12-20	1,587,500	62,500
Lars Seiz	164,000	25.40	2024-12-20	4,165,600	164,000
Jane Lundgren Ericsson	100,000	25.40	2024-12-20	2,540,000	100,000
Sven-Erik Bucht	100,000	25.40	2024-12-20	2,540,000	100,000
Former Board Member	36,000	25.40	2024-12-20	914,400	36,000
Total	612,500			15,557,500	612,500
2021/2024:1 Management and key personnel					
Other key personnel and employees	404,000	25.40	2024-12-20	10,261,600	404,000
Total	404,000			10,261,600	404,000
2022/2025:1 Management and key personnel					
Other key personnel and employees	255,500	33.00	2025-12-18	8,431,500	255,500
Total	255,500			8,431,500	255,500
2022/2025:2 Board of directors					
Jörgen Olsson	250,000	33.00	2025-12-18	8,250,000	250,000
Markus Petäjänieniemi (via Lemape AB)	37,500	33.00	2025-12-18	1,237,500	37,500
Lars Seiz	100,000	33.00	2025-12-18	3,300,000	100,000
Jane Lundgren Ericsson	100,000	33.00	2025-12-18	3,300,000	100,000
Ing-Marie Andersson Drugge	25,000	33.00	2025-12-18	825,000	25,000
Michael Mattsson (former board member)	19,057	33.00	2025-12-18	628,865	19,057
Total	531,557			17,541,365	531,557
2022/2025:1 Former CEO, now board member					
Henrik Ager	50,000	33.00	2025-12-18	1,650,000	50,000
Total	50,000			1,650,000	50,000
2022/2026 Management and key personnel					
Other key personnel and employees	100,000	40.00	2026-05-29	4,000,000	100,000
Total	100,000			4,000,000	100,000
2023/2027:1 Management and key personnel					
Other key personnel and employees	248,000	42.80	2027-05-19	10,614,400	248,000
Total	248,000			10,614,400	248,000
2023/2027:2 Former executive Chairmanman of the Board, now CEO					
Jörgen Olsson	125,000	42.80	2027-05-19	5,350,000	125,000
Total	125,000			5,350,000	125,000

* The number of shares and the exercise price have been recalculated as a result of a reverse stock split in 2023.

		Incentive programs	
Total proceeds (SEK) to Copperstone at full exercise of warrants	73,406,365	Number of outstanding warrants 1 January 2023	3,120,788
Total possible dilution (warrants), number of shares	2,326,557	Incentive programmes that expired during the year	-817,231
Total possible dilution (convertibles), number of shares	920,505	Repurchased warrants that were cancelled	-450,000
Total number of outstanding shares in Copperstone	90,080,342	Additional warrants under incentive programmes in 2023	473,000
Total possible dilution from warrants and convertibles, %	3.48%	Number of outstanding warrants 31 December 2023	2,326,557

NOTE 6 DEPRECIATION

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Depreciation of mining infrastructure	-0.3	-0.1	-	-
Depreciation of improvement costs on non-owned property	-0.2	-0.1	-	-
Depreciation of right-of-use assets	-1.3	-4.9	-	-
Depreciation of equipment, tools, and installations	-1.0	-0.3	-	-
Total depreciation	-2.8	-5.4	-	-

NOTE 7 FINANCIAL INCOME AND EXPENSES

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Interest income and similar profit/loss items	7.4	0.4	6.9	0.4
Total financial income	7.4	0.4	6.9	0.4
Interest expenses and similar profit/loss items	-2.2	-2.0	-1.9	-1.1
Valuation effective interest rate method	7.7	-	7.7	-
Total financial expenses	5.5	-2.0	5.8	-1.1

NOTE 8 TAX ON PROFIT FOR THE YEAR

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Current tax	-	-	-	-
Deferred tax on temporary differences	0.1	-	-	-
Total tax on profit for the year	0.1	-	-	-
Profit before tax	-30.0	-21.8	-25.2	-20.5
Tax according to current tax rate, 20.6% (20.6%)	6.2	4.5	5.2	4.2
Tax effect of:				
Expenses that are deductible but not included in reported profit or loss	1.7	1.1	1.7	1.1
Non-deductible expenses	-0.2	-	-0.1	-
Non-taxable income	-	-	-	-
Tax effect of net loss/gain from operations not recognised as a deferred tax asset	-7.8	-5.6	-6.8	-5.3
Reported current tax expense	-0.1	-0.0	-0.0	0.0
Tax losses for which no deferred tax asset is recognised	206.8	168.6	151.4	117.9

NOTE 9 CAPITALISED EXPENSES RELATED TO EXPLORATION AND EVALUATION ASSETS

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Opening acquisition values	658.7	473.6	69.9	62.0
Capitalised expenses for the year	259.5	185.1	3.0	7.9
Closing accumulated acquisition values	918.2	658.7	72.9	69.9
Opening depreciation and amortisation	-0.5	-0.5	-	-
Closing accumulated depreciation	-0.5	-0.5	-	-
Opening write-downs	-18.7	-18.7	-	-
Write-downs for the year	-	-	-	-
Closing accumulated write-downs	-18.7	-18.7	-	-
Closing residual value according to plan	899.0	639.5	72.9	69.9

During the previous year, continued preparations have been underway with the goal of starting up Viscaria. The fourth quarter focused on completing the intensive exploration work that has been going on during the year and that nearly 10,000 metres of additional core drilling was carried out during the period. A total of 62,000 metres were drilled in the Viscaria area for the year, which has increased knowledge of the deposit. Drilling and analysis corresponding to approximately half of the capitalised expenses for the year. Feasibility studies relating to dams, process water,

water treatment and preparatory logistics work are part of capitalised expenditure. The same applies to processes where the development of flow charts and the implementation of tests are essential parts of preparatory work.

Capitalised expenses in the Parent Company are mainly attributable to continued work on the deposits in Arvidsjaur in line with project development.

NOTE 10 MINING INFRASTRUCTURE

SEK MILLION	GROUP	
	2023	2022
Opening acquisition values	2.4	1.0
Reclassification	52.9	1.4
Closing accumulated acquisition values	55.3	2.4
Opening depreciation and amortisation	-0.2	-0.1
Depreciation for the year	-0.3	-0.1
Closing accumulated depreciation	-0.5	-0.2
Closing residual value according to plan	54.8	2.2

NOTE 11 IMPROVEMENT COSTS ON NON-OWNED PROPERTY

SEK MILLION	GROUP	
	2023	2022
Opening acquisition values	0.9	0.5
Reclassification	-	0.4
Closing accumulated acquisition values	0.9	0.9
Opening depreciation and amortisation	-0.1	-
Depreciation for the year	-0.2	-0.1
Closing accumulated depreciation	-0.3	-0.1
Closing residual value according to plan	0.6	0.8

NOTE 12 RIGHT-OF-USE ASSETS

SEK MILLION	GROUP	
	2023	2022
Opening acquisition values	24.8	21.8
Lease adjustment	-20.9	1.7
Additional leases	3.6	1.9
Terminated leases	-	-0.6
Closing accumulated acquisition values	7.5	24.8
Opening depreciation and amortisation	-8.1	-3.1
Lease adjustment	7.4	-0.1
Terminated leases	-	-
Depreciation for the year	-1.3	-4.9
Closing accumulated depreciation	-2.0	-8.1
Closing residual value according to plan	5.5	16.7

Lease liabilities presented in the balance sheet are as follows:

SEK MILLION	GROUP	
	2023	2022
Long-term lease liabilities	3.2	11.5
Current lease liabilities	2.3	5.3
Total lease liabilities	5.5	16.8

Interest expenses relating to leases during the financial year amounted to SEK 0.3 million (SEK 0.9 million). Cash flow amounted to SEK 1.5 million (5.3).

The Group leases office space with a term of 4 years. In addition, they lease cars and office equipment where the contracts run for an average of 3 years.

Reported values for each underlying asset class are shown in the table below:

SEK MILLION	GROUP	
	2023	2022
Premises	1.2	11.0
Cars	4.3	5.2
Office equipment	-	0.5
Total	5.5	16.7

The Group recognises its right-of-use assets under Property, Plant, and Equipment. Depreciation periods for each underlying asset class are presented in Accounting Principles, Note 2 under Property, Plant, and Equipment. With the exception of short-term leases and leases for which the underlying asset has a low value, a right-of-use asset and a lease liability are reported in the balance sheet. Variable lease payments that do not relate to an index are excluded in the initial calculation of lease liability and assets.

During the fourth quarter of 2023, the Company conducted an in-depth analysis of IFRS 6 'Exploration and Evaluation of Mineral Resources' and its delineation to IFRS 16 'Leasing', which has led to some revaluation between right-of-use assets and exploration assets. The adjustment entails reduced right-of-use assets and corresponding liabilities of approximately SEK 16 million. The revaluation will not have any significant impact on earnings.

Leases not recognised as liability

The Group has chosen not to recognise lease liabilities for short-term leases (with an expected lease term of 12 months or fewer) and for leases for which the underlying asset has a low value. Payments relating to such leases are expensed on a linear basis.

The cost of lease payments not included in the calculation of the lease liability is as follows:

SEK MILLION	2023	2022
Short-term lease agreements	0,2	0,2
Low-value underlying asset leases	0,1	0,1
	0,3	0,3

As of 31 December 2023, the Group's total current lease commitments amounted to SEK 0.1 million.

NOTE 13 EQUIPMENT, TOOLS, AND INSTALLATIONS

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Opening acquisition values	1.7	1.6	0.1	0.3
New acquisitions	0.6	0.2	–	–
Sales and disposals	-0.1	-0.2	-0.1	-0.2
Reclassification	13.7	0.1	–	–
Closing accumulated acquisition values	15.9	1.7	–	0.1
Opening depreciation and amortisation	-0.5	-0.4	-0.1	-0.2
Sales and disposals	0.1	0.2	0.1	0.2
Depreciation for the year	-1.0	-0.3	–	–
Closing accumulated depreciation	-1.4	-0.5	–	–
Closing residual value according to plan	14.5	1.2	–	0.1

NOTE 14 IN- PROGRESS CONSTRUCTION AND ADVANCES ON PROPERTY, PLANT, AND EQUIPMENT

SEK MILLION	GROUP	
	2023	2022
Opening acquisition values	58.2	–
Capitalised expenses for the year	48.8	60.0
Reclassification	-70.0	-1.8
Closing accumulated acquisition values	37.0	58.2

During the year, a bridge was commissioned and activated, which is the passage into the Viscaria area. The first water treatment plant, the pilot plant, is also in operation and was activated during the year. At the end of Q4, in-progress construction mainly comprised investments linked to infrastructure such as increased capacity for water treatment and the construction of electricity connections.

NOTE 15 OTHER LONG-TERM RECEIVABLES

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Opening acquisition values	0.2	0.1	–	–
Additional receivables	–	0.2	–	–
Settled receivables	–	-0.1	–	–
Closing residual value according to plan	0.2	0.2	–	–

Other long-term receivables relate to deposited collateral in accordance with the Swedish Minerals Act.

NOTE 16 FINANCIAL INSTRUMENTS PER CATEGORY

2023-12-31	GROUP				PARENT COMPANY			
	Financial assets measured at amortised asset purchase value	Financial liabilities measured at amortised cost	Total carrying amount	Fair value	Financial assets measured at amortised asset purchase value	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
SEK MILLION								
Deposits	0.2	–	0.2	0.2	–	–	–	–
Accounts receivable	–	–	–	–	–	–	–	–
Other current receivables	2.6	–	2.6	2.6	–	–	–	–
Cash and cash equivalents	266.3	–	266.3	266.3	237.4	–	237.4	237.4
Total	269.1	–	269.1	269.1	237.4	–	237.4	237.4
Accounts payable	–	27.6	27.6	27.6	–	3.8	3.8	3.8
Other current liabilities	–	–	–	–	–	–	–	–
Lease liabilities	–	5.5	5.5	5.5	–	–	–	–
Convertible debentures	–	14.5	14.5	14.5	–	14.5	14.5	14.5
Total	–	47.6	47.6	47.6	–	18.3	18.3	18.3

2022-12-31	GROUP				PARENT COMPANY			
	Financial assets measured at amortised asset purchase value	Financial liabilities measured at amortised cost	Total carrying amount	Fair value	Financial assets measured at amortised asset purchase value	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
SEK MILLION								
Deposits	0.2	–	0.2	0.2	–	–	–	–
Accounts receivable	0.3	–	0.3	0.3	–	–	–	–
Other current receivables	–	–	–	–	–	–	–	–
Cash and cash equivalents	329.2	–	329.2	329.2	297.1	–	297.1	297.1
Total	329.7	–	329.7	329.7	297.1	–	297.1	297.1
Accounts payable	–	24.3	24.3	24.3	–	2.6	2.6	2.6
Other current liabilities	–	–	–	–	–	–	–	–
Lease liabilities	–	16.8	16.8	16.8	–	–	–	–
Convertible debentures	–	21.6	21.6	21.6	–	21.6	21.6	21.6
Total	–	62.7	62.7	62.7	–	24.2	24.2	24.2

NOTE 17 PREPAID EXPENSES AND ACCRUED INCOME

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Prepaid rents and leasing	–	–	0.2	0.2
Prepaid insurance	0.1	0.1	–	–
Prepaid software costs	0.2	1.1	0.2	0.1
Prepaid consultancy fees	0.1	3.1	0.1	–
Other items	2.7	0.7	0.8	0.1
Total prepaid expenses and accrued income	3.1	5.0	1.3	0.4

NOTE 18 CASH AND CASH EQUIVALENTS

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Cash and bank balances	266.3	329.2	237.4	297.1
Total cash and cash equivalents	266.3	329.2	237.4	297.1

NOTE 19 CHANGE IN SHARE CAPITAL

The share capital shall be not less than SEK 100.0 (50.0) million and not more than SEK 400.0 (200.0) million. The share capital consists of 90,080,342 (76,715,118) shares. All shares have a quota value of SEK 2.00 (0.10).

During the year, conversion of 3 convertible debentures totalling SEK 5.0 million took place. The conversions took place on 1 March 2023 at a price of SEK 0.57/share corresponding to 1,754,385 shares, SEK 0.60/share corresponding to 3,333,333 shares, and SEK 0.74/share corresponding to 2,702,702 shares. During the second

quarter, the Group's incentive programmes '2020/2023 Board of Directors' and '2020/2023 Management and Key Employees' expired, and in connection with that, warrants corresponding to 10,915,918 shares and a share capital corresponding to SEK 1.1 million were exercised. 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. During the fourth quarter, the number of shares was changed owing to a reverse share split. The reverse share split meant that 20 existing shares were consolidated into one new share. At the end of the period, the number of shares amounted to

90,080,342.

Development of share capital	Number of shares	Share capital, (SEK million)
Opening value 1 January 2023	1,534,302,356	153.4
Change during the year:		
Conversion of debentures	7,790,420	0.8
Exercise of warrants	10,915,918	1.1
New share issues	248,598,146	24.9
Consolidation of shares	-1,711,526,498	-
Closing value 31 December 2023	90,080,342	180.2

NOTE 20 INTEREST-BEARING LIABILITIES

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022*	2023	2022*
Interest-bearing liabilities				
<i>Long-term liabilities</i>				
Lease liability	3.2	11.5	–	–
Convertible debentures	14.5	21.6	14.5	21.6
Total long-term liabilities	17.7	33.1	14.5	21.6
Current liabilities				
Lease liability	2.3	5.3	–	–
Total current liabilities	2.3	5.3	–	–
Total interest-bearing liabilities	20.0	38.4	14.5	21.6

*In connection with the preparation of the financial statements as of 2023-06-30, an error has been noted in the calculation of present value regarding convertible debentures, which has been corrected in this report. The comparative figures have been restated and adjusted for equity.

Information on convertible debentures

When Copperstone carries out new share issues, Stiftelsen Norrlandsfonden (Norrlandsfonden) has the right, but not the obligation, to participate up to its share in the issues.

As of 2023-12-31, the Convertible Debentures held by Norrlandsfonden amount to a total of SEK 14.5 million, the nominal amount equals SEK 22.1 million. All debentures carry interest STIBOR90 +5%. The table below specifies outstanding debentures and convertible debentures as of 2023-12-31.

Nominal value (SEK)	Conversion rate	Maturity	Number of shares
2,600,000	52.80	juni-26	49,242
4,850,000	14.00	juni-29	346,428
3,610,000	21.00	maj-26	171,904
5,500,000	30.80	apr.-27	178,571
5,614,400	32.20	dec.-28	174,360
22,174,400			920,505

NOTE 21 ACCRUED EXPENSES AND PREPAID INCOME

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Accrued holiday pay	2.9	2.1	0.9	0.6
Accrued social security contributions	0.9	0.6	0.3	0.2
Accrued consultancy fees	9.5	6.3	1.3	0.2
Accrued interest expenses	0.5	0.4	0.5	0.4
Other items	1.3	0.6	0.5	0.5
Total accrued expenses and prepaid income	15.1	10.0	3.5	1.9

NOTE 22 PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Regarding own liabilities to credit institutions				
Business mortgages	7.1	7.1	6.6	6.6
Guaranteed deposits	0.2	0.2	–	–
Total of own liabilities	7.3	7.3	6.6	6.6
Contingent liabilities				
Collateral	0.1	0.2	–	–
Collateral for the benefit of Group companies	–	–	0.1	0.2

NOTE 23 TRANSACTIONS WITH RELATED PARTIES

SEK MILLION	SUPPLIER	RELATED	GROUP		PARENT COMPANY	
			2023	2022	2023	2022
Carpentry services	Åkerström Bygg & Inredning AB	Related party to Deputy Managing Director Anna Tyni	0.3	0.3	–	–
Apartment rentals	Joheco AB	The company is controlled by CEO Jörgen Olsson	0.3	–	0.3	–
Total			0.6	0.3	0.3	–

Approval has been resolved in accordance with the company's policy for related-party transactions.

Subsidiaries and associated companies that are part of the Group, parties with direct or indirect control and their close family members, the members of the Company's Board of Directors, the Group's senior executives and close family members of these persons are considered to be related parties.

NOTE 24 ADJUSTMENT FOR NON-CASH FLOW ITEMS

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Depreciation	2.8	5.4	–	–
Capital gains, sales, property, plant, and equipment	–	–	–	–
Changed assessment of leasing	3.0	–	–	–
Correction of convertible debentures	0.3	–	–	–
Unpaid interest	–	-0.6	–	-0.5
Non-cash flow leases	–	0.2	–	–
Other items	–	–	–	–
Total adjustment for non-cash flow items	6.1	5.0	–	-0.5

NOTE 25 CHANGES IN LIABILITIES REPORTED IN FINANCING ACTIVITIES

GROUP

SEK MILLION	2023-01-01	Cash flow effect		Non-cash flow changes				2023-12-31
		Amortisation	New loans	Valuation effective interest rate method	Conversion of debt securities	Modification of the assessment of the lease agreement	Additional leases	
Convertible debentures	21.6		5.6	-7.7	-5.0	-	-	14.5
Leasing	16.8	-1.2				-13.8	3.6	5.4
Total liabilities recognised in financing activities	38.4	-1.2	5.6	-7.7	-5.0	-13.8	3.6	19.9

SEK MILLION	2022-01-01	Cash flow effect		Non-cash flow changes				2022-12-31
		Amortisation	New loans	Valuation effective interest rate method	Conversion of debt securities	Modification of the assessment of the lease agreement	Additional leases	
Convertible debentures	16.1	-	5.5	-	-	-	-	21.6
Leasing	18.6	-5.0	-	-	-	-	3.3	16.9
Total liabilities recognised in financing activities	34.7	-5.0	5.5	-	-	-	3.3	38.5

PARENT COMPANY

SEK MILLION	2023-01-01	Cash flow effect		Non-cash flow changes				2023-12-31
		Amortisation	New loans	Valuation effective interest rate method	Conversion of debt securities	Modification of the assessment of the lease agreement	Additional leases	
Convertible debentures	21.6		5.6	-7.7	-5.0	-	-	14.5
Total liabilities recognised in financing activities	21.6	-	5.6	-7.7	-5.0	-	-	14.5

SEK MILLION	2022-01-01	Cash flow effect		Non-cash flow changes				2022-12-31
		Amortisation	New loans	Valuation effective interest rate method	Conversion of debt securities	Modification of the assessment of the lease agreement	Additional leases	
Convertible debentures	16.1	-	5.5	-	-	-	-	21.6
Total liabilities recognised in financing activities	16.1	-	5.5	-	-	-	-	21.6

NOTE 26 PARTICIPATIONS IN GROUP COMPANIES

	Org. no.	Seat	Equity %	Voting rights %	Number of shares	Book value 2023 (SEK million)	Book value 2022 (SEK million)
Copperstone Incentive AB	556735-6596	Kiruna	100	100	500	0.4	0.4
Copperstone Tvistbo AB	556666-2895	Kiruna	100	100	100,000	2.7	3.2
Copperstone Arvidsjaur AB	556756-8265	Kiruna	100	100	1,000	10.0	10.0
Copperstone Viscaria AB	556747-7798	Kiruna	100	100	1,000	213.6	213.6
Book value of Group companies						226.7	227.2

SEK MILLION	PARENT COMPANY	
	2023-12-31	2022-12-31
Opening acquisition values	227.3	227.3
Closing accumulated acquisition values	227.3	227.3
Opening write-downs	-0.1	-0.1
Write-downs for the year	-0.5	-
Closing accumulated depreciation	-0.6	-0.1
Closing carrying amount	226.7	227.2

NOTE 27 EVENTS AFTER THE BALANCE SHEET DATE

Copperstone has initiated a feasibility study to ensure a complete basis for future financing and project planning.

The main hearing in the Land and Environment Court at Umeå District Court was held 30 January-21 February to consider Copperstone's application for a permit under the Environmental Code. The verdict will be announced on 22 April 2024 at 13:00.

Upgrading of mineral resources in Arvidsjaur.

NOTE 28 APPROPRIATION OF PROFIT

SEK MILLION	PARENT COMPANY 2023
<i>The following profits are at the disposal of the Annual General Meeting:</i>	
Share premium	1,195.9
Retained earnings	-197.6
Net profit for the year	-25.2
	973.1
<i>The Board of Directors proposes that the profits be allocated so that:</i>	
Carried forward	973.1
	973.1

Certification of financial reports

The Board of Directors and the CEO certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and give a true and fair view of the Group's results and financial position.

The Annual Report and the consolidated financial statements have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards and generally accepted accounting principles and give a true and fair view of the Group's and the Parent Company's financial position and results. The Directors' Report for the Parent Company and the Group provides a true and fair view of the development of the Parent Company's and the Group's operations, financial position and results, and describes significant risks and uncertainties facing the Parent Company and the companies included in the Group. The consolidated statement of comprehensive income, the consolidated statement of financial position and the parent company's income statement and balance sheet were approved for issue by the Board of Directors on 15 April 2024 and will be subject to adoption by the Annual General Meeting on 7 May 2024.

Kiruna 15 April 2024

Per Colleen
Chairmanman of the Board

Markus Petäjaniemi
Vice Chairmanman of the Board

Ing-Marie Andersson Drugge
Member of the Board

Henrik Ager
Styrelseledamot

Sven-Erik Bucht
Member of the Board

Jane Lundgren Ericsson
Member of the Board

Lars Seiz
Member of the Board

Jörgen Olsson
Member of the Board
CEO and President

Our audit report was issued on

15 April 2024

Öhrlings PricewaterhouseCoopers AB

Martin Johansson
Authorised Public Accountant

Auditor's report

To the Annual General Meeting of Copperstone Resources AB (publ), org.nr 556704-4168

Report on the annual accounts and consolidated accounts

Statements

We have audited the annual accounts and consolidated accounts of Copperstone Resources AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 73-107 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The Board of Directors' Report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the Annual General Meeting adopts the income statement and balance sheet for the Parent Company and the Statement of Comprehensive Income and Balance Sheet for the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the supplementary report submitted to the Parent Company's and the Group's Audit Committee in accordance with Article 11 of the Audit Regulation (537/2014).

Basis for Opinions

We conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under these standards are described in more detail in the Auditor's Responsibilities section. We are independent in relation to the Parent Company and the Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these require-

ments. This includes that, to the best of our knowledge and belief, no prohibited services referred to in Article 5(1) of the Audit Regulation (537/2014) have been provided to the audited entity or, where applicable, its parent undertaking or its controlled entity within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining the materiality level and assessing the risk of material misstatement of the financial statements. In particular, we paid attention to the areas where the CEO and the Board of Directors made subjective assessments, such as important accounting estimates made on the basis of assumptions and forecasts of future events, which by their nature are uncertain. As with all audits, we have also considered the risk of breaches of internal control by the Board of Directors and the CEO, including whether there is evidence of bias that has given rise to a risk of material misstatement due to fraud.

We adapted our audit to perform appropriate reviews in order to express an opinion on the financial statements as a whole, taking into account the Group's structure, accounting processes and controls, and the industry in which the Group operates.

Copperstone Resources owns, directly and through its subsidiaries Copperstone Viscaria, Copperstone Arvidsjaur and Copperstone Tvistbo, mineral deposits containing copper, silver, gold, zinc and lead. The company's main project is the copper mine in Viscaria, where the company is in an intensive exploration stage where the main hearing in the Land and Environment Court has been completed and the verdict will be announced on April 22, 2024. The Group consists of the parent company Copperstone Resources AB, which is a publicly registered limited liability company with its registered office in Stockholm, and the subsidiaries Copperstone Arvidsjaur AB, Copperstone Tvistbo AB, Copperstone Viscaria AB and Copperstone Incentive AB.

Our audit has covered both the parent company and the subsidiary Copperstone Viscaria AB. Valuation and capitalization of exploration and appraisal assets attributable to the copper mine in Copperstone Viscaria, shares in subsidiaries, significant assumptions and assessments as well as going concern are some of the areas we have focused on in the audit.

Our audit is carried out on an ongoing basis throughout the year. In 2023, in connection with the interim report for the third quarter and at the end of the year, we reported to management and the Audit Committee. At the end of the year, we also reported to the Board of Directors in its entirety. Regarding the interim report for the third quarter, we issued a review report.

Areas of particular importance

Particularly significant audit matters are those that in our professional judgment were the most significant for the audit of the annual accounts and consolidated accounts for the current period. These matters were addressed in the context of our audit of, and in our opinion on, the annual accounts and consolidated accounts as a whole, but we do not express a separate opinion on these matters.

Area of particular importance

Valuation and capitalization of exploration and appraisal assets as well as valuation of shares in subsidiaries

In the consolidated financial statements, the value of exploration and appraisal assets amounts to SEK 899 million, of which assets attributable to Viscaria account for SEK 873 million. Capitalizations for the year amount to SEK 256 million.

The parent company Copperstone Resources AB reports shares in subsidiaries amounting to SEK 227 million as of December 31, 2023, which refers to the shares in Copperstone Arvidsjaur AB, Copperstone Tvistbo AB, Copperstone Viscaria AB and Copperstone Incentive AB.

These items are significant both in amount and in nature as they are affected by management's estimates and estimates of the future of the business. For this reason, we have chosen to consider the valuation and capitalization of exploration and appraisal assets in the Group and the valuation of shares in subsidiaries in the Parent Company as a particularly significant area in our audit, and the risk we specifically focused on is the risk that the items are overvalued and/or that capitalized costs deviate from the Group's capitalization principle.

Materiality

The scope and focus of the audit were affected by our materiality assessment. An audit is designed to obtain reasonable assurance as to whether the financial statements are materially misstated. Errors may arise as a result of irregularities or mistakes. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the financial decisions taken by users on the basis of the financial statements.

Based on professional judgment, we determined certain quantitative materiality ratios, including for the financial reporting as a whole. Using these and qualitative considerations, we determined the scope and scope of the audit and the nature, timing, and scope of our audit procedures, and assessed the impact of individual and aggregate misstatements on the financial statements as a whole.

How our audit has taken into account the key audit area

In our audit, we have carried out, among other things, the following audit procedures;

- Evaluated the Group's process and principles for capitalizations and impairment tests in accordance with IFRS 6.
- Tested the impairment testing model and evaluated significant assumptions used to determine forecasted cash flows and discount rate in the calculation of value in use.
- Collected and assessed documentation linked to production plans and estimated service life of the mine.
- Reviewed if the necessary permits are in place and active.
- Examined at random whether the year's capitalizations comply with the Group's accounting principles.
- We have made a comparison of the Parent Company's book value in each subsidiary and equity to check whether there may be a need for impairment of the Parent Company's book value of shares in each subsidiary.
- Reviewed whether disclosures in the annual report are consistent with the requirements of IFRS.

Area of particular importance, cont.

The impairment test for property, plant and equipment is based on the company's internal business plan and assumptions about future development of metal prices, mineable volumes, smelting and refining wages, currencies, metal grades, among other things. Changes in market prices for metals, mineable volumes, smelting and refining wages, currencies and metal grades have a major impact on the Group's future cash flows and thereby on the estimated recoverable amount of the exploration and appraisal assets.

Other factors that are important are the estimated life of the mine, production plans, permits for mining operations and efficiency and profitability in production.

The value of the shares in the subsidiaries is directly attributable to the value of the underlying business that is subject to the impairment test above.

For more information, see the Board of Directors' Report, Note 2 Accounting Principles, Note 9 Capitalized Expenses for Exploration and Evaluation Assets and Note 26 Participations in Group companies.

Financing of the company – going concern

The Group's operations are capital-intensive and where the Group is dependent on significant external financing for exploration and expansion of mining operations. As in previous years, the Group reported a loss and a negative cash flow. Against this background, we have assessed that financing/going concern is a particularly important area for our audit. In 2023, the Board of Directors and management worked actively with the Group's financing.

The Board of Directors' Report, under the heading Future Outlook and Significant risks and uncertainties, shows how the Group's work with financing has progressed during the financial year and that management has assessed the Group's financial position to be solid, with a cash position of just over SEK 266 million at the end of the financial year 2023.

The Board of Directors deems sufficient working capital to be secured for the financial year 2024 and for the beginning of the financial year 2025.

See Board of Directors' Report, Note 2 Accounting principles and Note 3 Financial Risk factors.

- We have taken note of a liquidity forecast prepared by management and approved by the Board of Directors, which shows that the company has financing for at least 12 months after the closing date.
- We have reviewed and evaluated the most significant assumptions on which the forecast is based and also followed up the outcome compared to the forecast up to the time of submission of the auditor's report.
- We have reviewed the application of the accounting principles and related disclosures in the annual report related to the company's financing and found them to be appropriate, sufficient and balanced.

Information other than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1-60. The information in the Remuneration Report for Copperstone Resources AB (publ) 2023, which is published on the company's website at the same time as this report, also constitutes other information. The Board of Directors and the CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this information and we do not express any assurance on this other information.

In connection with our audit of the annual accounts and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this review, we also consider the knowledge we otherwise gained during the audit and assess whether the information otherwise appears to be materially misstated.

If, based on the work performed on this information, we conclude that the other information contains a material misstatement, we are required to report this. We have nothing to report in that regard.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for ensuring that the annual accounts and consolidated accounts are prepared and that they give a true and fair view in accordance with the Annual Accounts Act and, with regard to the consolidated accounts, in accordance with IFRS, as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the CEO are also responsible for such internal control as they deem necessary to prepare the annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In the preparation of the annual accounts and consolidated accounts, the Board of Directors and the CEO are responsible for assessing the company's and the Group's ability to continue as a going concern. They disclose, where applicable, conditions that may affect the ability to continue as a going concern and to use the going concern assumption. However, the going concern assumption does not apply if the Board of Directors and the CEO intend to liquidate the company, cease operations or have no realistic alternative to doing any of these.

The Board's Audit Committee shall, without prejudice to the Board's responsibilities and duties in general, monitor the company's financial reporting.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance as to whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to provide an auditor's report that includes our opinions. Reasonable assurance is a high degree of assurance, but it does not guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement, if any. Misstatements may arise from fraud or mistakes and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the financial decisions made by users on the basis of the annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts can be found on the Swedish Inspectorate of Public Accountants' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other requirements laid down by law and regulation

Statements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the CEO of Copperstone Resources AB (publ) for the year 2023 and of the proposed appropriation of the company's profit or loss.

We recommend that the Annual General Meeting dispose of the profit in accordance with the proposal in the Board of Directors' Report and discharge the members of the Board of Directors and the CEO from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under this section are described in more detail in the section Auditor's Responsibilities. We are independent in relation to the Parent Company and the Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposed appropriation of the company's profit or loss. A dividend proposal includes, among other things, an assessment of whether the dividend is justifiable with regard to the requirements that the company's and the Group's business nature, scope and risks place on the size of the Parent Company's and the Group's equity, consolidation needs, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the management of the company's affairs. This includes, among other things, continuously assessing the company's and the Group's financial

situation, and ensuring that the company's organization is designed so that accounting, asset management and the company's financial affairs in general are controlled in a satisfactory manner. The CEO shall manage the day-to-day administration in accordance with the Board's guidelines and instructions and, among other things, take the measures necessary to ensure that the company's accounting is carried out in accordance with the law and that the management of funds is managed in a satisfactory manner.

Auditor's responsibilities

Our objective with respect to the audit of the administration, and thus our opinion on discharge, is to obtain audit evidence in order to be able to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect:

- has taken any action or been guilty of any negligence that may give rise to liability to the company
- in any other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective with regard to the audit of the proposed appropriation of the company's profit or loss, and thus our opinion thereon, is to assess with a reasonable degree of certainty whether the proposal is in accordance with the Swedish Companies Act.

Reasonable assurance is a high degree of assurance, but there is no guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that may give rise to liability to the company, or that a proposal for appropriation of the company's profit or loss is not in accordance with the Swedish Companies Act.

A further description of our responsibility for the audit of the administration can be found on the Swedish Inspectorate of Public Accountants' website:

www.revisorsinspektionen.se/revisornsansvar.

This description is part of the auditor's report.

Auditor's review of the ESEF report

Statement

In addition to our audit of the annual accounts and consolidated accounts, we have also performed a review of the Board of Directors and the CEO to ensure that the annual accounts and consolidated accounts have been prepared in a format that enables uniform electronic

reporting (the ESEF report) in accordance with Chapter 16. Section 4 a of the Swedish Securities Market Act (2007:528) for Copperstone Resources AB (publ) for the year 2023.

Our review and opinion relate only to the legal requirement.

In our view, the ESEF report has been drawn up in a format that essentially allows for uniform electronic reporting.

Basis for Opinion

We have performed the review in accordance with FAR's recommendation RevR 18 Auditor's review of the ESEF report. Our responsibilities under this recommendation are described in more detail in the section Auditor's Responsibilities. We are independent in relation to Copperstone Resources AB (publ) in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for ensuring that the ESEF report has been prepared in accordance with Chapter 16. Section 4a of the Securities Market Act (2007:528), and that there is such internal control as the Board of Directors and the CEO deem necessary in order to prepare the ESEF report without material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our task is to express an opinion with reasonable certainty as to whether the ESEF report is essentially prepared in a format that meets the requirements of Chapter 16. Section 4a of the Securities Market Act (2007:528), on the basis of our review.

RevR 18 requires us to plan and carry out our audit procedures to obtain reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high degree of assurance, but is not a guarantee that a review conducted in accordance with RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement, if any. Misstatements may arise from irregularities or mistakes and are considered material if, individually or collectively,

they can reasonably be expected to influence the economic decisions taken by users on the basis of the ESEF report.

The firm applies ISQC 1 Quality Control to Firms that perform audits and reviews of financial statements and other assurance engagements and related services and as such has a comprehensive quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The audit includes obtaining evidence through various measures that the ESEF report has been prepared in a format that allows for uniform electronic reporting of the annual and consolidated financial statements. The auditor chooses which actions to perform, including by assessing the risks of material misstatement in reporting, whether due to fraud or error. In making this risk assessment, the auditor considers those parts of the internal control that are relevant to the preparation of the documentation by those charged with governance and the CEO in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. The review also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the CEO.

The audit procedures mainly include the validation that the ESEF report was prepared in a valid XHTML format and the reconciliation of the ESEF report with the audited financial statements and consolidated accounts.

Furthermore, the review also includes an assessment of whether the consolidated income statement, balance sheet and equity statement, cash flow statement and notes in the ESEF report have been labelled with iXBRL in accordance with the provisions of the ESEF Regulation.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, SE-113 97 Stockholm, Sweden, with Martin Johansson as auditor in charge, was appointed auditor of Copperstone Resources AB by the general meeting on 11 May 2023 and has been the company's auditor since the company was listed in 2023.

Stockholm, the date shown by our electronic signature.

Öhrlings Pricewaterhouse Coopers AB

Martin Johansson

Authorized Public Accountant

Glossary

Competent person – An expert in reporting of mineral assets and member of an independent expert organization, for example FAMMP (Fennoscandian Association for Metals and Minerals Professionals).

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

Drill core - Cylindrical sample of rock obtained during drilling.

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.

Feasibility study – A Comprehensive technical and economic study of selected development options for a mineral project, including detailed appraisals and financial analysis. A feasibility study forms the basis for financing decisions.

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 Fe₃O₄.

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).

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.

Information to shareholders

Copperstone's Annual General Meeting 2024 will be held on Tuesday, May 7, 2024, at 4:00 p.m. Aurora Kultur & Kongress, Stadshusetorget 10, 981 30 Kiruna, Sweden.

Notification and registration

Shareholders who wish to participate in the Annual General Meeting must be recorded in the share register maintained by Euroclear Sweden AB on 26 April 2024, and must notify the Company of their intention to participate by mail to the company no later than 3 May 2024 at 12:00 noon.

Notification of attendance must be made in writing to Copperstone Resources AB (publ), Österleden 24 A, 981 38 Kiruna or by e-mail to bolagsstamma@copperstone.se.

The notification must include the shareholder's name, personal identification number or corporate registration number, address, telephone number, shareholding and information about any advisors (not more than two). The information provided will only be used at Copperstone's Annual General Meeting. All documents for the Annual General Meeting will, in accordance with the Swedish Companies Act, be made available on Copperstone's website www.copperstone.se and at the company's head office, no later than April 16, 2024. The documents will be sent immediately and at no additional cost to the recipient, to shareholders who so request and provide their postal address. Printed information can be ordered via bolagsstamma@copperstone.se.

Dividend

Copperstone does not expect to pay any dividend in the next few years, as the company is facing major investments in connection with the restart of the Viscaria copper mine in Kiruna. Dividends are not expected to be paid until after the Mining operations have started, and the company's results and financial position allow it.

The company has therefore not adopted a dividend policy. Nor has the Company resolved on a cash dividend during the period covered by the historical financial information in this report.

Annual report

Copperstone's Annual Report for 2023 is published in Swedish and English and is available for download on the company's website www.copperstone.se. The Annual Report is also available in printed format and can be ordered at info@copperstone.se

Financial calendar

May 7, 2024	Interim Report January – March 2024
May 7, 2024	Annual General Meeting 2024
Aug 15, 2024	Half-year report 2024
8 november, 2024	Interim Report January – September 2024
February 20, 2025	Year-end report 2024



Contact

Frida Keskitalo

CFO

Mobile: +46 (0) 703 – 401 053

E-mail: frida.keskitalo@copperstone.se

Karin Svensson

Head of Communication

Mobile: +46 (0) 761 – 169 190

E-mail: karin.svensson@copperstone.se

Copperstone Resources AB

Österleden 24

SE-981 38 KIRUNA

Org. nr. 556704-4168

info@copperstone.se or www.copperstone.se



COPPERSTONE

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Copperstone Resources

Österleden 24, SE-981 38 Kiruna, Sweden | info@copperstone.se | www.copperstone.se