

Kiruna, 7 May 2024

INTERIM REPORT JANUARY-MARCH 2024

JANUARY – MARCH 2024

- Net sales amounted to SEK 0 million (0).
- Profit after tax for the period was SEK -11.5 (-7.4) million. Earnings per share before and after dilution amounted to SEK -0.13 (-0.09).
- Capitalized expenses related to exploration and appraisal assets amounted to SEK 57.5 million (50.9).
- The Group's cash flow for the period was SEK -70.1 million (80.4).
- Cash and cash equivalents amounted to SEK 196 million on March 31, 2024 (SEK 266 million on December 31, 2023).
- Equity decreased by 0.9% percent and amounted to SEK 1,216 million on 31 March 2024 (1,228 on 31 December 2023).

SIGNIFICANT EVENTS DURING THE PERIOD JANUARY-MARCH

- Copperstone 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.
- Upgrading of the Mineral Resources in Arvidsjaur

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- On May 6, the Land and Environment Court announced that Copperstone had been granted a permit under the Environmental Code for mining and water operations at the Viscaria mine in Kiruna. The court also has ordered that the permit may be used in certain parts even if the judgement is appealed.
- Copperstone's Annual General Meeting 2024, which will be held at 4 p.m. today, May 7, is expected to adopt the Board of Directors' proposal that Copperstone Resources' name shall be changed to Gruvaktiebolaget Viscaria. The name change is expected to take place on May 21, 2024.

Comments from CEO Jörgen Olsson:

“The fact that we have now been granted our environmental permit is a great success and means that the risks associated with the Viscaria project have been significantly reduced. Although the permit will probably be appealed, and it will take some time before the judgment gains legal force, our starting point for the continued process has been strengthened. The plan remains that by the end of 2024, after we have received the necessary permits, we will be able to begin the major investments in concentrators and other infrastructure. This is well in line with our timetable for a restart of the mine in 2026. I look forward to continuing to update you on our progress.”

CEO STATEMENT

On May 6, 2024, we finally received the gratifying news that the Land and Environment Court at Umeå District Court had granted Copperstone an environmental permit for the Viscaria copper mine. The judgment also included a decision on an enforcement order, which means that we can immediately begin certain time-consuming processes while waiting for the judgment to gain legal force. The announcement was in line with our expectations and means that we can now look ahead and increase the pace of the preparatory work.



Environmental permit confirms our vision for the future

Having read and considered the judgement, we can conclude that it is a well-founded judgement, which well describes the considerations that the court had to make. However, we do not share the court's view on all issues and will now evaluate the content in more detail. The environmental permit is associated with several commitments on our part to ensure that our operations have a limited impact on the environment. These include our plans for innovative water treatment, recycling of valuable metals in old mining waste as well as expected effects, protective measures and compensation measures for nature and reindeer husbandry.

The environmental permit is a clear testament of the impressive quality, experience, and deep knowledge that the team at Copperstone possesses.

Mineral resources

Since Copperstone's last resource update in November 2022, the company has drilled an additional 70 km (until 30 April 2024). Copperstone plans to communicate a new resource update at the end of 2024 in connection with the publication of the Feasibility Study where these drill results will be included. The company's already completed drilling campaigns in the A, B and D zones have demonstrated that the mineralisation is open towards depth.

Grand Viscaria

In parallel with the ongoing Feasibility Study, Copperstone has formalised a strategy for the exploration of 'Grand Viscaria' - a vision to discover additional resources at greater depth and distance from the Viscaria mine. Copperstone's processing concessions at Viscaria account for only 2% of the total area (approximately 100km²) that the company has the right to explore within. Copperstone aims to start this long-term exploration plan prior to the completion of the feasibility study and, beyond that, in parallel with the mine entering production.

Rising copper prices

In the beginning of 2024, the copper price continued to rise and was traded at levels of around USD 9,000-10,000 per tonne on the LME commodity exchange in London during March-April. The rising copper price reflects expectations that the demand for copper will increase for many years to come, driven by global trends such as the expansion of electricity and power grids and increased demand for renewable energy. This is well in line with the assessments we ourselves have made; Copper is one of the most important metals for the future and that the need for locally, responsibly produced copper will only increase.

Copperstone changes its name to Viscaria

As part of our strategic work to develop our identity and strengthen our position in the market, we have decided to change our name from Copperstone to Viscaria. This change reflects our development from an exploration company to becoming an established Swedish mining company with a mature industrial profile, striving for credibility, security, and long-term sustainability. By adopting the name Viscaria, we gain a clearer anchoring in the strong and important region where we operate in northern Sweden and Europe.

Timetable for start of mining remains unchanged

The fact that we have now been granted our environmental permit is a great success and means that the risks associated with the Viscaria project have been significantly reduced. Although the permit will probably be appealed, and it will take some time before the judgment gains legal force, our starting point for the continued process has been strengthened. The plan remains that by the end of 2024, after we have received the necessary permits, we will be able to begin the major investments in concentrators and other infrastructure. This is well in line with our timetable for a restart of the mine in 2026. I look forward to continuing to update you on our progress.

Jörgen Olsson, CEO Copperstone Resources

ENVIRONMENTAL PERMITS

In order to resume mining operations at the Viscaria copper mine in Kiruna, the planned operations must be granted an environmental permit. Copperstone's environmental permit application describes the company's ambition for a responsible modern mining operation through the use of the best available technology in the mining operations, in the enrichment plant and in transport and logistics solutions in order to reduce the impact on the local environment. Copperstone has, among other things, developed a plan for innovative water management and water treatment, recycling of valuable minerals in old mine waste and expected effects, protection measures and compensation measures for nature and reindeer husbandry.

Main hearing

The main hearing was held in Kiruna from 30 January to 21 February this year. In connection with the conclusion of the court proceedings, MMD announced that a judgment in the case would come on April 22, 2024. Due to a late statement from the County Administrative Board of Norrbotten, MMD decided on April 19 to move the date for when the judgment would be announced, to May 6 at 13.00.

Copperstone receives environmental permit

On May 6, the Land and Environment Court at Umeå District Court announced that Copperstone was granted an environmental permit for the reopening of the Viscaria copper mine. The court has also granted Copperstone an enforcement order which means that certain time-critical processes can be initiated immediately, pending the judgment gaining legal force and the permit being fully used. The enforcement includes the construction and operation of water treatment plants and the drainage and rehabilitation of the existing underground mine.

The environmental permit covers the extraction of up to 3.6 million tonnes of ore per year and is subject to certain conditions regarding emissions to water and air, species protection, Natura 2000 and protection measures for reindeer husbandry.

The judgement of the Land and Environment Court can be appealed to the Land and Environment Court of Appeal, MÖD, and then to the Supreme Court, which is the final instance. In order for an appeal to be considered by either of these courts, the court in question must grant leave to appeal. When the MMD's decision cannot be further appealed, it becomes final. The deadline for appealing the Land and Environment Court's judgment is 27 May 2024.

Land allocation

On 30 June 2021, Copperstone applied for a land allocation from the Mining Inspectorate of Sweden in favour of the exploitation concessions Viscaria K No. 3, Viscaria K No. 4 and Viscaria K No. 7 in Kiruna Municipality, in accordance with the provisions of Chapter 9. Minerals Act (1991:45). After a cadastral procedure meeting was held with property and interested parties on 25 May 2023, the Chief Mining Inspector decided on 29 June 2023 to grant Copperstone land allocation. The decision has been appealed by several interested parties and by the company. The Land and Environment Court hearing was held in March 2024 and the parties are now awaiting judgement.

GEOLOGY

Viscaria

The year began with intensive exploration work on the Viscaria copper deposit. Core drilling continues to form the backbone of the geological work in the area and amounted to close to 10,000 meters during the quarter. In addition to drilling, additional geological activities have been going on with high intensity with the aim of increasing knowledge before the mine opening. In addition, exploration work continues with the aim of extending the life of the Viscaria mine in line with the company's long-term geological strategy.

During the period, drilling has primarily focused on so-called "infill drilling", which means continued work to increase knowledge in order to optimize preparations for the mine opening. The results of the surveys are an important basis for the profitability study that the company is compiling. Drilling during the period has been carried out in all three zones, A, B and D zones, with an emphasis on the D zone. The results have been encouraging and support previous understanding of the Viscaria deposit.

Near-mine exploration has intensified during the first quarter, with the company investigating the extension of Viscaria mineralization as part of its long-term geological strategy. The company has used external experts in both geophysics and structural geology and enlisted the help of senior experts in exploration. During the period, exploration drilling has been ongoing, as well as in-depth analyses of existing and new information with a focus on, among other things, the understanding of the structural geology in the area. The focus has also been on analysing and collecting additional geophysical information. The geophysical investigations include measuring stations in the area registering natural electromagnetic currents generated in the bedrock. The measurements started in the first quarter and will continue during the second quarter. The results will be used during the intensive exploration work during the spring and summer.

Methodology and reporting for the geological work is done in accordance with the PERC Standard, which is the international regulatory framework for reporting mineral resources and mineral reserves. As part of the continued evaluation of the deposit, an external review is carried out by a so-called competent person in accordance with the standard for reporting.

Arvidsjaur

During the previous quarter, an upgrade of the mineral resources in the Eva deposit in Arvidsjaur was reported. The upgrade complies with the latest PERC Standard 2021 regulations. The results showed that the Indicated and Inferred Mineral Resources are about 50 percent higher than previously demonstrated. The total assets in Arvidsjaur now amount to 34 million tonnes of copper, zinc, gold and silver-bearing rock. In accordance with PERC Standards' regulations, the resource upgrade of the Eva deposit has been reviewed and approved by a so-called competent person.

In addition to the Eva deposit, western Granliden is an interesting exploration area. Copperstone has in April received an additional exploration permit in the area, Sandberget No. 600, which is directly adjacent to the large area of Sandberget No. 500. During the quarter, the company also applied for an extension of the existing permits for Sandberget No. 500 and Sandberget No. 400. The company expects a decision on the applications within the next quarter.

Further details and information on the Mineral Resources, including Table 1, can be found on the Company's website www.copperstone.se.

ENRICHMENT

Preparatory work is still underway to create the best possible conditions for an efficient enrichment process at the Viscaria mine, specially adapted to the different characteristics of the three ore zones. A schematic flowchart has been established and Copperstone continues with in-depth studies to increase the level of detail of the various components in the enrichment process. Extensive laboratory studies have been carried out and the company has been able to further refine the beneficiation trials and adapt settings for the three different ore zones with positive results with both elevated yields and increased Cu levels in the concentrate. This work was done in collaboration with the global consulting company Ausenco Service Pty Ltd.

INFRASTRUCTURE

The project office on site is fully operational and everyone from the office at Österleden has now moved in. Fiber connection for the internet has been installed and was put into operation during April.

Planning of the industrial area for the construction phase with roads, traffic flows, storage areas, car parking, security, contractor's premises, etc. has started and is planned to be completed during May.

Detailed design of the permanent water treatment plant with a capacity of 1,000 cubic meters/h is in full swing and is expected to be completed in the second quarter of 2024. Planning of how the mine will be emptied of water and connected to the water treatment is underway, with various solutions for water feeding systems being investigated. Water treatment is an essential function for the entire Viscaria reopening project.

The design of both Vattenfall's (150 kV) and Copperstone's high-voltage substation (20 kV) has been updated based on data from the enrichment and mining operations. For the construction of the 150 kV switchgear, Copperstone has granted permission to Vattenfall to lease the land needed for the plant. The next step in the process is to sign a connection agreement for the 70 MW that the business needs in the long term for power supply in 2026. A procurement process is being prepared for the 20 kV plants in which both own ownership and outsourcing to third parties will be evaluated.

Project planning for the connection of the planned railway yard to the Malmbanan line together with the Swedish Transport Administration has proceeded according to plan. For the railway yard itself, planning is underway, with a request for tenders planned to be sent out in the third quarter of 2024, for planned commissioning in 2026.

Tenders for transporting finished products by train to both Narvik and Skelleftehamn have been received from a railway operator. A feasibility study has been carried out together with the Port of Narvik to ship both copper and magnetite via the port at Fagernäs. A preliminary proposal for an arrangement with costs for this is now available for further discussion.

MINE

Together with SRK Consulting, the mine design is updated, and various production plans are tested. We have collaborated with various potential suppliers regarding specific equipment for future underground mining. Together with a potential contractor, we have reviewed future transport solutions at the same time as we have updated and evaluated our future organization for the mine. The rock mechanical design of the plant is ongoing and a large part of the work is being done as part of the preparatory studies.

SUSTAINABILITY

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

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

The company has made commitments in the environmental permit process with far-reaching purification processes, which means that all of the effluent water will be purified to very low levels of pollutants during the lowering of water from the old mine as well as the new mine area.

The waste rock deposits, which normally affect the landscape to a large extent, will be designed and laid out with geomorphological design. This means that the landscape, which is initially significantly affected by mining operations, will be able to return to natural conditions more quickly after the end of mining operations.

Copperstone conducts sustainability work that includes seven focus areas with associated goals. The focus areas are based on the principles of ICMM (International Council on Mining & Metals), Svemin's guidelines, TSM Protocols (Towards Sustainable Mining), the UN's Agenda 2030 and the UN Global Compact. In addition, the results of stakeholder dialogues and external analysis have been taken into account. The focus areas will guide our sustainability work in the coming years. Follow-up and reporting of the sustainability goals will continue in 2024.

The company has identified a number of critical issues to work on and a timetable has been drawn up for further work, which also includes the completion of the sustainability policy. The purpose is to further strengthen and clarify goals and requirements for the business, both before the restart of the mine and when the company is in production.



FINANCIAL INFORMATION – THE GROUP

JANUARY – MARCH 2024

During the first quarter of 2024, capitalised expenses related to exploration and evaluation assets amounted to SEK 57.5 million (50.9). Capitalised expenses consist mainly of exploration work on mineral resources. In addition, capitalised expenses consist of feasibility study work in infrastructure, logistics in the form of preparatory work for the future railway yard, environmental permit process and further work on the feasibility study in all areas of operation.

Net sales for the quarter amounted to SEK 0 million (0). Operating profit amounted to SEK -11.4 (-6.6) million. Profit after tax for the period amounted to SEK -11.5 million (-7.4) and earnings per share before and after dilution amounted to SEK -0.13 (-0.09).

Cash flow for the quarter amounted to SEK -70.1 (-80.4) million. Cash flow from operating activities, excluding investments and financing, amounted to SEK -5.1 (-17.8) million. Cash flow from investment activities amounted to SEK -64.7 (-67.2) million. Net cash flow from financing activities during the quarter amounted to SEK -0.3 (4.6) million. Our budget and base scenario form the basis for liquidity planning to secure capital going forward. The level of activity is continuously adjusted according to available liquidity.

FINANCIAL POSITION AS PER MARCH 31, 2024

Assets as of March 31, 2024

Capitalised investments in exploration assets amounted to SEK 956.5 million at the end of the period, an increase corresponding to 6.4 percent compared to SEK 899.0 million on December 31, 2023.

Cash and cash equivalents at the end of the period amounted to SEK 196.2 million compared to SEK 266.3 million on December 31, 2023.

Interest-bearing liabilities as of March 31, 2024

As of the balance sheet date, Norrlandsfonden holds convertible debentures at discounted present value of approximately SEK 14.5 million at STIBOR 90 +5% interest rate per year. For more information about Norrlandsfonden's investments in Copperstone, please see www.copperstone.se or the Group's Annual Report 2023.

FINANCIAL INFORMATION – PARENT COMPANY

JANUARY – MARCH 2024

Capitalised expenses for exploration assets amounted to SEK 1.2 (0.8) million during the period. Other operating income amounted to SEK 2.7 (3.0) million and operating profit amounted to SEK -9.2 (-6.5) million. Profit for the period amounted to SEK -9.2 (-7.1) million. Capitalised assets were SEK 74.2 million (72.9) at March 31, 2024 and relate to continued work on deposits in Arvidsjaur.

SIGNIFICANT EVENTS

SIGNIFICANT EVENTS DURING THE PERIOD

- Copperstone initiates 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.
- Upgrading of the Mineral Resources in Arvidsjaur

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- On May 6, the Land and Environment Court announced that Copperstone had been granted a permit under the Environmental Code for mining and water operations at the Viscaria mine in Kiruna. The court also has ordered that the permit may be used in certain parts even if the judgement is appealed.
- Copperstone's Annual General Meeting 2024, which will be held at 4 p.m. today, May 7, is expected to adopt the Board of Directors' proposal that Copperstone Resources' name be changed to Gruvaktiebolaget Viscaria. The name change is expected to take place on May 21, 2024.

OTHER INFORMATION

EMPLOYEES

As of March 31, 2024, the number of employees was 30, compared to 32 at the same time last year. In addition, the company engages consultants in several business areas on a temporary basis.

ANNUAL GENERAL MEETING 2024

Copperstone's Annual General Meeting 2024 will take place today, Tuesday 7 May in Kiruna, at 16.00 at Aurora Kultur & Kongress in Kiruna.

The Nomination Committee proposes re-election of all current Board members, i.e. that Per Colleen, Markus Petäjänieniemi, Henrik Ager, Ing-Marie Andersson Drugge, Sven-Erik Bucht, Jane Lundgren Ericsson, Jörgen Olsson and Lars Seiz are elected as Board members until the Annual General Meeting 2025. Per Colleen is proposed to be re-elected as Chairman of the Board of Directors.

The Board of Directors proposes that Copperstone Resources changes its name to Gruvaktiebolaget Viscaria. The Board of Directors has also presented alternative name proposals, all of which include the name Viscaria in the event that registration of the proposed name is not possible with the Swedish Companies Registration Office. The Board of Directors further proposes that the Annual General Meeting resolves on slightly updated guidelines for remuneration to senior executives, implementation of incentive program 2024/2027 and that the Board of Directors is authorized to resolve 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 to change its name to Gruvaktiebolaget Viscaria

The name change of Copperstone Resources to Gruvaktiebolaget Viscaria is expected to formally take effect on 21 May 2024 when the necessary registrations have been completed.

Exhibition

In connection with the Annual General Meeting, Copperstone traditionally invites you to an exhibition where staff from Copperstone describe the company's projects and operations. The exhibition runs from 14:00 to 18:30 in Aurora Culture & Congress, room Dálvi. Please note that this exhibition is not part of the formal Annual General Meeting and therefore does not require pre-registration.

PROCESSING CONCESSIONS AND EXPLORATION PERMITS

As of April 1, 2024, according to the Swedish Mining Inspectorate's Mineral Rights Register (MRR), Copperstone owned six granted processing concessions and 13 exploration permits.

PROCESSING CONCESSIONS GRANTED					
NAME	AREA HA	VALID FROM	VALID UNTIL	MINERAL	MUNICIPALITY
Viscaria K no. 3	115,7	2012-01-16	2037-01-16	gold, iron found in bedrock, copper, silver, zinc	Kiruna
Viscaria K no. 4	30,0	2012-01-16	2037-01-16	gold, iron found in bedrock, copper, silver, zinc	Kiruna
Viscaria K no. 7	63,8	2018-03-26	2043-03-26	copper	Kiruna
Eva K 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
Tvistbogruvan K no. 1	11,4	2012-04-17	2037-04-17	lead, gold, copper, manganese, silver, tungsten, zinc	Smedjebacken
Total (ha)	291,2				
EXPLORATION PERMITS GRANTED					
NAME	AREA HA	VALID FROM	VALID UNTIL	MINERAL	MUNICIPALITY
Viscaria no. 1	818,7	2008-06-24	2025-06-24	copper	Kiruna
Viscaria no. 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
Vicar no. 1	386,4	2018-11-08	2026-11-08	lead, gold, iron occurring in the bedrock, copper, silver, zinc	Kiruna
Goddevarri no. 101	148,4	2019-12-04	2024-12-04	lead, gold, iron occurring in the bedrock, copper, silver, zinc	Kiruna
Viscaria no. 117	4 986,5	2023-01-13	2026-01-13	gold, iron found in bedrock, cobalt, copper, molybdenum, nickel, silver	Kiruna
Viscaria no. 118	9,0	2023-03-29	2026-03-29	gold, copper	Kiruna
Viscaria no. 119	1 408,5	2023-11-01	2026-11-01	gold, iron found in the bedrock, copper	Kiruna
Sandberget no. 300	18,7	2012-10-03	2024-10-03	gold, copper, silver, zinc	Arvidsjaur
Sandberget no. 200	19,2	2012-10-03	2024-10-03	gold, copper, silver, zinc	Arvidsjaur
Sandberget no. 500	7 641,0	2019-02-11	2024-02-11	gold, copper, silver, zinc	Arvidsjaur
Sandberget no. 400	535,6	2019-02-11	2024-02-11	gold, copper, silver, zinc	Arvidsjaur
Total (ha)	18 170,8				

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

At the beginning of 2024, the company has carried out active drilling in the exploitation concessions Viscaria K no. 3, Viscaria K no. 4 and Viscaria K no. 7 as well as significant geophysical campaigns with subsequent core drilling in specific areas, primarily within Viscaria no. 107.

Within the framework of the Arvidsjaur project, Copperstone was granted an exploration permit in April for Sandberget No. 600, which is directly adjacent to the large area of Sandberget No. 500. The exploration permits for Sandberget No. 400 and Sandberget No. 500, which expired at the beginning of the year, have been reapplied for.

SHAREHOLDER

As of March 31, 2024, the number of issued shares amounted to 90,080,342, each with a quota value of SEK 2.00. The total share capital amounted to SEK 180,160,682.

The number of shareholders was 18,395 as of March 31, 2024, compared to approximately 18,114 shareholders at the end of 2023. The largest shareholders are listed in the table below.

Shareholders as of March 31, 2024	Number of shares	Capital & votes, %
Thomas von Koch	9 216 985	10,23%
JRS Asset Management AB Client Account	5 126 574	5,69%
Joheco AB	3 550 000	3,94%
Håkan Roos (RoosGruppen)	3 324 493	3,69%
Jan Ståhlberg	3 233 493	3,59%
Avanza Pension	2 704 766	3,00%
Nordnet Pension Insurance	2 371 018	2,63%
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	1 350 000	1,50%
Svante Wedman (incl. Company)	1 347 064	1,50%
Scandinavkonsult i Stockholm AB	1 300 000	1,44%
Björn Israelsson	1 269 004	1,41%
Henrik Raalskov Petersen	1 260 495	1,40%
Handelsbanken Liv Försäkring AB	1 149 446	1,28%
Michael Mattsson	1 133 459	1,26%
Skandia Fonder	1 080 687	1,20%
Livförsäkringsbolaget Skandia	1 066 552	1,18%
Swedbank Försäkring	897 919	1,00%
A total of 20 largest shareholders	47 673 671	52,9%
Other	42 406 671	47,1%
Total number of shares	90 080 342	100%

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

OUTLOOK

Copperstone's financial position is solid, with a cash position of approximately SEK 200 million at the end of March 2024. 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 interest-bearing debt of approximately 60 percent for future financing of the mine and enrichment plant.

Copper prices have been rising in recent years, albeit with some increased volatility because 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 over 50 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 term, the demand for responsibly produced copper in the EU is expected to increase further.

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 will lead to commercial production in Kiruna, Arvidsjaur or Smedjebacken. There is no guarantee that the company will be able to generate sufficient funds to finance continued operations. Failure by the company to generate funds at the right time may result in postponed investigations, reduced, or terminated operations. A more detailed description of the company's risks and uncertainties can be found in the Annual Report for 2023. The Board of Directors believes that the progress made since the Viscaria acquisition was made in 2019 and the intensified development of the project in recent times have significantly reduced the risks.

This report has not been reviewed by the company's auditors.

Kiruna, May 7, 2024

Jörgen Olsson
CEO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK MILLION)

	Jan-Mar	Jan-Mar	Jan-Dec
	2024	2023	2023
Operating income and capitalised expenses			
Capitalised expenses related to exploration and evaluation assets	57,5	50,9	259,5
Other operating income	0,1	0,3	1,2
Total operating income and capitalised expenses	57,6	51,2	260,7
Operating expenses			
Other external costs	-55,4	-43,4	-251,9
Employee remuneration costs	-11,9	-12,0	-47,2
Depreciation and amortisation of intangible assets and property, plant and equipment	-1,6	-1,5	-2,8
Other operating expenses	-0,1	-0,9	-1,7
Total operating expenses	-69,0	-57,8	-303,6
Operating income	-11,4	-6,6	-42,9
Profit/loss from financial items			
Financial income	-	-	7,4
Financial expenses	-0,1	-0,8	5,5
Profit after financial items	-0,1	-0,8	12,9
Profit before tax	-11,5	-7,4	-30,0
Tax on profit for the period	0,0	-	-0,1
Net profit for the period	-11,5	-7,4	-30,1
OTHER COMPREHENSIVE INCOME			
Attributable to:			
Shareholders of the Parent Company	-11,5	-7,4	-30,1
TOTAL	-11,5	-7,4	-30,1

Number of shares

	Jan-Mar	Jan-Mar	Jan-Dec
	2024	2023	2023
Number of shares at the end of the period	90 080 342	77 104 639	90 080 342
Average number of shares before dilution	90 080 342	76 844 958	83 908 556
Average number of shares after dilution	91 096 842	76 844 958	83 908 556
Earnings per share before and after dilution, SEK*	-0,13	-0,09	-0,36

** See also Note 5 on page 20, Change in share capital.

*There are warrant programs and convertible debentures that may result in dilution, but since the result for the period is negative, no dilution effect arises. See Note 6 on page 20.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SEK MILLION)

	Note	31-Mar-24	31-Mar-23	31-Dec-23
ASSETS				
Fixed assets				
Intangible assets				
Capitalised expenses related to exploration and evaluation assets	3	956,5	690,4	899,0
Total intangible assets		956,5	690,4	899,0
Property, plant and equipment				
Mining infrastructure		54,4	2,2	54,8
Improvement costs on non-owned property		0,5	0,7	0,6
Right-of-use assets		4,9	16,1	5,5
Equipment, tools and installations		13,7	1,1	14,5
In-progress construction and advances in respect of property, plant and equipment	4	44,2	74,4	37,0
Total property, plant and equipment		117,7	94,5	112,3
Financial fixed assets				
Deferred tax assets		-	0,1	-
Other long-term receivables		0,1	0,2	0,2
Total financial fixed assets		0,1	0,3	0,2
Total fixed assets		1 074,3	785,2	1 011,5
Current assets				
Current receivables				
Current tax assets		1,1	0,5	1,2
Other current receivables		8,5	12,7	11,9
Prepaid expenses and accrued income		3,2	1,4	3,1
Total current receivables		12,8	14,6	16,2
Cash and cash equivalents		196,2	248,8	266,3
Total current assets		209,0	263,4	282,5
TOTAL ASSETS		1 283,3	1 048,6	1 294,0
EQUITY AND LIABILITIES				
Equity				
Share capital	5	180,2	154,2	180,2
Other capital contributions		1 202,6	963,1	1 202,5
Retained earnings including profit for the period		-166,6	-133,3	-155,1
Total equity		1 216,2	984,0	1 227,5
Long-term liabilities				
Convertible debentures	7	14,5	22,6	14,5
Lease liability	7	3,0	10,4	3,2
Total long-term liabilities		17,5	33,0	17,7
Current liabilities				
Accounts payable	7	21,5	14,5	27,6
Lease liability	7	1,9	5,9	2,3
Other current liabilities		3,0	2,7	3,9
Accrued expenses and prepaid income		23,2	8,5	15,1
Total current liabilities		49,6	31,6	48,8
TOTAL EQUITY AND LIABILITIES		1 283,3	1 048,6	1 294,0

CONSOLIDATED CHANGE IN EQUITY (SEK MILLION)

	Note	Share capital	Other capital contributions	Retained earnings, including profit for the period	Total equity
Opening balance 1/1/2023	5,6,7	153,4	958,6	-125,5	986,6
Warrants		-	-	0,2	0,2
Convertible debentures		0,8	4,3	-	5,1
Correction of convertible debentures		-	-0,1	-	-0,1
Profit for the period		-	-	-7,4	-7,4
Closing balance 31/03/2023		154,2	962,9	-132,7	984,3
New share issue		24,9	241,1	-	266,0
Issue costs, net after tax		-	-8,4	-	-8,4
Warrants		1,1	6,9	0,3	8,2
Profit for the period		-	-	-22,7	-22,7
Outgoing balance 31/12/2023		180,2	1 202,5	-155,1	1 227,5
Opening balance 1/1/2024	5,6,7	180,2	1 202,5	-155,1	1 227,5
Warrants			0,1		0,1
Profit for the period				-11,5	-11,5
Outgoing balance 31/03/2024		180,2	1 202,6	-166,6	1 216,1

CONSOLIDATED CASH FLOW (SEK MILLION)

	Jan-Mar	Jan-Mar	Jan-Dec
	2024	2023	2023
OPERATING ACTIVITIES			
Operating income	-11,4	-6,6	-42,9
Adjustment for items not included in cash flow, etc.	1,7	1,3	6,1
Interest received	-	-	7,4
Interest paid	-0,1	-0,6	-2,2
Income tax paid	-	-0,2	-0,9
Cash flow before changes in working capital	-9,8	-6,1	-32,5
Increase/decrease in accounts receivable	-	0,3	0,3
Increase/decrease in other current receivables	3,3	1,0	0,1
Increase/decrease in accounts payable	-6,1	-9,7	3,3
Increase/decrease in other current operating liabilities	7,5	-3,3	4,5
Cash flow from operating activities	-5,1	-17,8	-24,3
INVESTMENT			
Expenses related to exploration and evaluation assets	-57,5	-50,9	-259,5
Investments in property, plant and equipment	-7,2	-16,3	-49,6
Sale of property, plant and equipment	-	-	0,1
Cash flow from investment activities	-64,7	-67,2	-309,1
FINANCING ACTIVITIES			
New share issue	-	-	257,6
Warrants	0,1	0,2	8,5
Loans	-	5,6	5,6
Amortisation of lease liability	-0,4	-1,2	-1,2
Cash flow from financing activities	-0,3	4,6	270,5
Cash flow for the period	-70,1	-80,4	-62,8
Cash and cash equivalents at start of period	266,3	329,2	329,2
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	196,2	248,8	266,3

PARENT COMPANY INCOME STATEMENT (SEK MILLION)

	Jan-Mar	Jan-Mar	Jan-Dec
	2024	2024	2023
Operating income and capitalised expenses			
Capitalised expenses related to exploration and evaluation assets	1,2	0,8	3,1
Other operating income	2,7	3,0	11,8
Total operating income and capitalised expenses	3,9	3,8	14,9
Operating expenses			
Other external costs	-7,6	-5,3	-32,6
Personnel costs	-5,5	-5,0	-19,5
Other operating expenses	-	-	-0,2
Total operating expenses	-13,1	-10,3	-52,3
Operating income	-9,2	-6,5	-37,5
Profit/loss from financial items			
Income from participations in Group companies	-	-	-0,5
Other interest income and similar profit/loss items	-	-	6,9
Interest expenses and similar profit/loss items	-	-0,6	5,8
Total income from financial items	-	-0,6	12,3
Profit before tax	-9,2	-7,1	-25,2
Profit for the period and comprehensive income	-9,2	-7,1	-25,2

PARENT COMPANY BALANCE SHEET (SEK MILLION)	Note	31-Mar-24	31-Mar-23	31-Dec-23
ASSETS				
Fixed assets				
Intangible assets				
Capitalised expenses related to exploration and evaluation assets	3	74,2	70,6	72,9
Total intangible assets		74,2	70,6	72,9
Property, plant and equipment				
Equipment, tools and installations		-	0,1	-
Total property, plant and equipment		-	0,1	-
Financial fixed assets				
Participations in Group companies		226,7	227,2	226,7
Total financial fixed assets		226,7	227,2	226,8
Total fixed assets		300,9	297,9	299,7
Current assets				
Current receivables				
Receivables from Group companies		756,1	488,4	704,1
Current tax assets		0,8	0,4	0,9
Other current receivables		0,7	0,2	2,1
Prepaid expenses and accrued income		1,3	0,3	1,3
Total current receivables		758,9	489,3	708,3
Cash and cash equivalents		172,6	213,7	237,4
Total current assets		931,5	703,0	945,8
TOTAL ASSETS		1 232,4	1 000,9	1 245,5
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital	5	180,2	154,2	180,2
Fund for development expenditure		55,0	51,5	53,8
Total restricted equity		235,2	205,7	234,0
Non-restricted equity				
Share premium		1 195,9	956,5	1 195,9
Retained earnings		-224,0	-195,8	-197,6
Net profit for the period		-9,2	-7,1	-25,2
Total non-restricted equity		962,7	753,6	973,1
Total equity		1 197,9	959,3	1 207,1
Long-term liabilities				
Convertible debentures		14,5	22,6	14,5
Total long-term liabilities		14,5	22,6	14,5
Current liabilities				
Accounts payable		2,7	1,4	3,8
Liabilities to Group companies		13,3	14,5	14,5
Other current liabilities		1,4	1,1	2,1
Accrued expenses and prepaid income		2,6	2,0	3,5
Total current liabilities		20,0	19,0	23,9
TOTAL EQUITY AND LIABILITIES		1 232,4	1 000,9	1 245,5

NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board RFR 1 and for the Parent Company, RFR 2. The same accounting principles and calculation methods were used in the 2023 annual report.

New and amended standards applied by the Group

No new or amended accounting standards or interpretations that entered into force on 1 January 2024 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.

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, Leases, which has led to revaluation between Lease assets and exploration assets. The adjustment entails reduced Lease assets and corresponding liabilities of approximately SEK 16 million. The revaluation will not have any significant impact on earnings.

The Company has calculated the present value of convertible debentures during the fourth quarter of 2023, compared with the previous value that was recorded at the nominal value. This reduces the reported debt by approximately SEK 8 million in the fourth quarter of 2023 and has a positive impact on net interest income by the same amount.

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

For a more detailed description of the accounting and valuation principles applied to the consolidated financial statements and the Parent Company in this interim report, see the Annual Report 2023.

NOTE 2 TRANSACTIONS WITH RELATED PARTIES

SEK thousand	Supplier	Related	Jan-Mar 2024	Jan-Dec 2023
Carpentry services	Åkerström Bygg & Inredning AB	Deputy CEO Anna Tyni	18	251
Apartment rentals	Joheco AB	CEO Jörgen Olsson	106	277
Total			124	528

NOTE 3 CAPITALISED EXPENSES RELATED TO EXPLORATION AND EVALUATION ASSETS

Group SEK million	Mar 31, 2024	Dec 31, 2023
Opening acquisition values	918,2	658,7
Capitalised expenses for the period	57,5	259,5
Closing accumulated acquisition values	975,7	918,2
Opening depreciation and amortisation	-0,5	-0,5
Closing accumulated depreciation	-0,5	-0,5
Opening write-downs	-18,7	-18,7
Closing accumulated write-downs	-18,7	-18,7
Closing residual value according to plan	956,5	899,0

During the first quarter of the year, continued exploration work was carried out with nearly 10,000 meters of core drilling, which represents one-third of the total capitalized expenses. Costs related to the Court hearing in January and February are also a significant part of the costs with consultants in various areas of expertise both before, during and after the hearing as well as further work on remediation plans. Preparatory work in logistics, enrichment and mining are also part of capitalised expenses.

Parent Company SEK million	Mar 31, 2024	Dec 31, 2023
Opening acquisition values	72,9	69,9
Capitalised expenses for the period	1,3	3,0
Closing accumulated acquisition values	74,2	72,9
Closing residual value according to plan	74,2	72,9

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

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

Group SEK million	Mar 31, 2024	Dec 31, 2023
Opening acquisition values	37,0	58,2
Capitalised expenses for the period	7,2	48,8
Reclassification	-	-70,0
Closing accumulated acquisition values	44,2	37,0

Construction in progress during the first quarter of the year mainly relates to investments in infrastructure and in the permanent water treatment facility.

NOTE 5 CHANGES IN SHARE CAPITAL

No changes have occurred during the first quarter of the year.

Development of the share capital	Number of shares	Share capital, SEKm
Opening value January 1 2024	90 080 342	180,2
Closing value March 31 2024	90 080 342	180,2

NOTE 6 COPPERSTONE WARRANT PROGRAM

2021/2024:1 Management and key personnel	Shares*	Exercise price*	Redemption until*	SEK if redeemed	Number of warrants*
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

2021/2024:2 Board of Directors	Shares*	Exercise price*	Redemption until*	SEK if redeemed	Number of warrants*
Jörgen Olsson	150 000	25,40	2024-12-20	3 810 000	150 000
Markus Petäjaniemi (via 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

2022/2025:1 Management and key personnel	Shares*	Exercise price*	Redemption until*	SEK if redeemed	Number of warrants*
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	Shares*	Exercise price*	Redemption until*	SEK if redeemed	Number of warrants*
Jörgen Olsson	250 000	33,00	2025-12-18	8 250 000	250 000
Markus Petäjaniemi (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	Shares*	Exercise price*	Redemption until*	SEK if redeemed	Number of warrants*
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	Shares*	Exercise price*	Redemption until*	SEK if redeemed	Number of warrants*
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	Shares*	Exercise price*	Redemption until*	SEK if redeemed	Number of warrants*
Other key personnel and employees	264 400	42,80	2027-05-19	11 316 320	264 400
Total	264 400			11 316 320	264 400

2023/2027:2 Former Executive Chairman of the Board, now CEO	Shares*	Exercise price*	Redemption until*	SEK if redeemed	Number of warrants*
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, warrants and exercise price have been recalculated as a result of a reverse share split in 2023.

Future possible dilution 2024–2027

Total proceeds (SEK) to Copperstone at full exercise of warrants	74 108 285
Total possible dilution (warrants), number of shares	2 342 957
Total possible dilution (convertible debentures), number of shares	920 505
Total number of outstanding shares in Copperstone	90 080 342
Total possible dilution from warrants and convertibles, %	3,50%

Incentive programs

Number of outstanding warrants January 1, 2024	2 326 557
less incentive programs that expired during the year	-
less repurchased warrants that have been cancelled	-
additional warrants under incentive programs in 2023	16 400
Number of outstanding warrants March 31, 2024	2 342 957

NOTE 7 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 of the balance sheet date.

Group SEK million					
Per March, 31 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Convertible debentures	0,5	1,5	2,0	20,7	5,0
Lease liabilities	0,9	1,3	2,0	1,2	-
Accounts payable	21,5	-	-	-	-

NOT 8 LEASE

Group SEK million	31-Mar-2024	31-Dec-2023
Lease liabilities presented in the balance sheet are as follows:		
Long-term lease liabilities	3,0	3,2
Current lease liabilities	1,9	2,3
Total lease liabilities	4,9	5,5

NOTE 9 SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- On May 6, the Land and Environment Court announced that Copperstone had been granted a permit under the Environmental Code for mining and water operations at the Viscaria mine in Kiruna. The court also has ordered that the permit may be used in certain parts even if the judgement is appealed.
- Copperstone's Annual General Meeting 2024, to be held at 16:00 today May 7, is expected to adopt the Board's proposal to change the name of Copperstone Resources to Gruvaktiebolaget Viscaria. The name change is expected to take place on 21 May 2024.

NOT 10 KEY METRICS

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

GLOSSARY

Competent person – An expert in reporting of mineral assets and member of an independent expert organisation, 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.

PRESENTATION OF THE INTERIM REPORT

A live presentation of the interim report for the first quarter 2024 will be held today, Tuesday 7 May, at 09.30 CET. The report will be presented by CEO Jörgen Olsson and CFO Frida Keskitalo. The presentation will be held in Swedish and will also include a Q&A session.

The live presentation can be accessed via the link: <https://www.youtube.com/watch?v=RYSnbm-9X7k>

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Financial calendar

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

This information was submitted for publication at 07.30 CEST on 7 May 2024.

About Copperstone

Copperstone Resources AB is a company that scales up to become a modern and responsible producing mining company through the reopening of the Viscaria mine in Kiruna. The deposit's high copper grade, estimated mineral resources, geographical location and growing team of experienced employees provide good 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. In addition to the Viscaria mine, Copperstone holds a number of exploitation concessions and exploration permits in Arvidsjaur (Eva, Svartliden, Granliden) and Smedjebacken (Tvistbogruvan) - all in Sweden. The Parent Company's shares are listed on Nasdaq Stockholm Main Market (ticker COPP).

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