

Danderyd May 14, 2019

BUSINESS REVIEW - JANUARY TO MARCH 2019

Copperstone Resources AB (“Copperstone” or “the Company”) is pleased to announce a Business Review (Q1 2019) for the Company.

Group Highlights Q1-19 period (Q1-18):

- The capitalized investments in exploration assets increased 571% to 289,029 (43,068) KSEK.
- Shareholders’ equity increased 208% to 203,493 (65,996) KSEK.
- Avalon Minerals Viscaria AB has been merged into the Group.
- Result of the period amounted to -1,953 (-1,058) KSEK.
- Result of the period per share was -0.01 (-0.004) SEK.
- Total assets at the end of the period was 312,421 (70,494) KSEK.
- The cash flow during the period was 5,529 (-12,460) KSEK.
- The liquidity at the end of the period was 6,914 (15,826) KSEK.

Significant events during the Q119 period:

- Strengthening of the permission portfolio
- Acquisition of Viscaria completed – Sunstone Metals largest owner

“Copperstone is from this quarter and onwards including Avalon Minerals Viscaria AB into our financial accounts. It’s an extremely accretive acquisition, main reason being that our code-compliant copper resource base has increased by almost 1,400% since 2017. The strategy onwards is to develop these assets into cash flow in a sustainable manner, and explore for even more along the way.”, comments CEO Michael Mattsson.

The complete Q1 19 business review is attached. For further information, please contact Michael Mattsson (CEO) at +46(0)580-88890, or michael.mattsson@copperstone.se or refer to Copperstone webpage: www.copperstone.se.

This press release contains insider information which Copperstone Resources AB (publ) is obliged to publish according to the EU market abuse regulation (MAR). The information was delivered by the above-mentioned contact for publishing May 14, 2019 at 08:10 CET.

About Copperstone

Copperstone is a public company trading as COPP B on NASDAQ First North (Stockholm). The Certified Adviser is Augment Partners AB, info@augment.se, +46 8 505 65 172. The Company is focused on base and precious metal exploration in the vicinity of the internationally recognized mining districts of Kiruna and the Skellefte-field in northern Sweden. In addition, the Company also owns an exploitation concession and an exploration permit in the Bergslagen mining region, in central Sweden.

Qualified Person

The technical information herein has been reviewed by the Qualified Person of the Company (QP) Thomas Lindholm M. Sc., GeoVista AB, Luleå.

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About

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Significant Events during Q119 period

The following section outlines in time order all significant events that have taken place from January 1 2019 up to and including March 31 2019.

(1) STRENGTHENING OF THE PERMISSION PORTFOLIO

Copperstone was awarded additional exploration permits, for the upcoming three years, from the Mining Inspector, regarding more than 8,000 ha in Arvidsjaur municipality. The permits concern Sandberget 400 (535ha) and Sandberget 500 (7641ha), which were reapplied for as Copperstone received the Eva k nr 1 exploitation concession. There have been some minor carve-outs of exploitation concession buffer zones and a newly established nature area (Stor-Sandberget). Earlier during the winter, renewal approvals were awarded Copperstone regarding Sandberget 200 and Sandberget 300 (regarding years 6-10). The Sandberget 500 exploration permit has been appealed by a land owner, the appeal was rejected by the Mining Inspector. The Administrative Court is to decide upon the matter.

(2) ACQUISITION OF VISCARIA COMPLETED – SUNSTONE METALS LARGEST OWNER

Copperstone's acquisition of Avalon Minerals Viscaria AB ("Viscaria") was completed on March 8, 2019, after which Viscaria became a wholly-owned subsidiary of Copperstone. Copperstone paid to Sunstone Metals Ltd ("Sunstone") the initial purchase price consisting of 20 MSEK in cash and 160m new shares of series B (resolved and allotted). An additional amount of 20 MSEK plus an annual interest of 7% will be paid in cash at the latest 4 months after Closing, or, alternatively, converted into newly issued Copperstone shares of series B at 10% discount on the VWAP 10 trading days preceding the 4-month expiration. At the granting of an Environmental Permit for Viscaria, Sunstone will receive an additional 46m shares and 20 MSEK in cash. The transaction added 609,000 tons of copper (different categories) to Copperstone Mineral Resources (please see below). The transaction was completed on a fully net-debt neutral basis, i.e. Sunstone had, prior to Closing, neutralized the 297 MSEK of debt in the Viscaria subsidiary, by means of an unconditional shareholder contribution.

Significant Events after Q119 period

No significant events reported.

Comments on change of reporting structure and the practice of financial reporting

Copperstone is changing the practice of financial reporting from 2019. Copperstone complies with half-yearly reporting according to the Swedish Securities Markets Act and will publish its first and third quarter reports as business reviews in which key information regarding the company's financial situation and development will be presented. This is not an interim report as specified in the IAS 34 standard. The content in this report may slightly differ from the guidelines given by Nasdaq Stockholm regarding business reviews. The content in this business review reflects the merger of Avalon Minerals Viscaria AB into the Copperstone accounts and the business review is customized to provide the reader a good insight of the current operations of the company.

Staff and Office Management

Under the corporate management of CEO Michael Mattsson, based in the Stockholm region, the technical management of Geologist Maurice Zongo, the Company also rents office space in Malå and Kiruna and has a storage facility in Kopparberg and at SGU, Malå. The team of field supervisor and field assistants have been adapted to the New Copperstone needs and certain time contracts will terminate without being extended, and as per June 1, 2019, the Arvidsjaur project office in Malå will employ two staff and one consultant. The Copperstone team is supported by advisors within technical and environmental matters and independently on technical matters by Thomas Lindholm (QP). Database and Geographical Information Services (GIS) are provided by Karsten Drescher.

Permits and Concessions

According to the Mineral Rights Register (MRR) of the Swedish Geological Survey (SGU), the following permits and concessions are 100% owned by Copperstone Resources AB as at February 10, 2019 with the inclusion of Avalon Minerals Viscaria AB that is 100% owned by Copperstone Resources AB as from March 8, 2019.

APPROVED CONCESSION										
NAME	DIARYNR	LICENCED	AREA	APPL_DATE	DEC DATE	VALID FROM	VALID TO	MINERAL	MUNICIPAL	OWNER (100.00%)
Svartiden K nr 1	2000000086R/R		35,9653	1998-12-28	2000-12-27	2000-12-27	2025-12-27	lead, gold, copper, silver, zinc	ARMDSJAUR	Copperstone Resources AB
Viscaria K nr 3	2010000482		115,7010	2010-04-19	2012-02-21	2012-01-16	2037-01-16	gold, iron, copper, silver, zinc	KIRUNA	Avalon Minerals Viscaria AB
Viscaria K nr 4	2010000514		30,0319	2010-04-19	2012-02-21	2012-01-16	2037-01-16	gold, iron, copper, silver, zinc	KIRUNA	Avalon Minerals Viscaria AB
Tvisbogruvan K nr 1	2011000897		11,4140	2011-05-24	2013-09-07	2012-04-17	2037-04-17	lead, gold, copper, manganese, silver, tungsten, zinc	SMEJEBACKEN	Koppberg Mining Exploration AB
EvaK nr 1	2007001183/2009000285		34,2900	2007-09-17	2018-09-27	2017-11-13	2042-11-13	lead, gold, copper, silver, zinc	ARMDSJAUR	Copperstone Resources AB
Viscaria K nr 7**	2011000312		63,8100	2010-04-19	2018-05-03	2018-03-26	2043-03-26	copper	KIRUNA	Avalon Minerals Viscaria AB
VALID LICENCES										
NAME	DIARYNR	LICENCED	AREA (ha)	APPL_DATE	DEC DATE	VALID FROM	VALID TO	MINERAL	MUNICIPAL	OWNER (100.00%)
Viscaria nr 101**	2002000538	2002-104	1472,29	2002-07-10	2015-11-12	2002-10-16	2017-10-16	copper	KIRUNA	Avalon Minerals Viscaria AB
Säggården nr 1	2013000540	2013-70	199,08	2013-04-19	2016-08-31	2013-06-12	2019-06-12	cobalt	SMEJEBACKEN	Koppberg Mining Exploration AB
Viscaria nr 107	2009000673	2009-136	1842,75	2009-05-07	2017-10-02	2009-08-10	2019-08-10	copper	KIRUNA	Avalon Minerals Viscaria AB
Viscaria nr 112	2011000457	2011-197	2254,38	2011-04-07	2018-02-07	2011-12-05	2019-12-05	copper	KIRUNA	Avalon Minerals Viscaria AB
Yhteinenjärvi nr 1	2014001160	2015-8	963,26	2014-09-23	2018-03-27	2015-01-22	2020-01-22	iron	KIRUNA	Avalon Minerals Viscaria AB
Viscaria East	2017000170	2017-93	211,94	2017-02-24	2017-06-09	2017-06-09	2020-06-09	copper	KIRUNA	Avalon Minerals Viscaria AB
Viscaria nr 1	2007001504	2008-119	818,71	2007-11-16	2018-09-14	2008-06-24	2020-06-24	copper	KIRUNA	Avalon Minerals Viscaria AB
Niiska East	2015000400	2015-86	144,14	2015-04-14	2018-09-13	2015-06-16	2021-06-16	copper	KIRUNA	Avalon Minerals Viscaria AB
Rengarde nr 1	2018000563	2018-131	3517,31	2018-07-11	2018-11-08	2018-11-08	2021-11-08	copper, lead, zinc, iron, gold, silver	KIRUNA	Avalon Minerals Viscaria AB
Kikkovaarlin nr 1	2018000562	2018-130	386,37	2018-07-11	2018-11-08	2018-11-08	2021-11-08	copper, lead, zinc, iron, gold, silver	KIRUNA	Avalon Minerals Viscaria AB
Sandberget nr 400*	2018000890	2012-16	535,56	2018-09-28	2019-02-11	2019-02-11	2022-02-11	gold, copper, silver, zinc	ARMDSJAUR	Copperstone Resources AB
Sandberget nr 500*	2018000891	2012-17	7640,97	2018-09-28	2019-02-11	2019-02-11	2022-02-11	gold, copper, silver, zinc	ARMDSJAUR	Copperstone Resources AB
Sandberget nr 200	2012000797	2012-138	19,19	2012-06-27	2018-11-29	2012-10-03	2022-10-03	gold, copper, silver, zinc	ARMDSJAUR	Copperstone Resources AB
Sandberget nr 300	2012000801	2012-139	18,70	2012-06-27	2018-11-29	2012-10-03	2022-10-03	gold, copper, silver, zinc	ARMDSJAUR	Copperstone Resources AB
			Total (ha):	20024,66			TOTAL APPROVED			
APPLIED LICENCES										
NAME	DIARYNR	LICENCED	AREA	APPL_DATE	DEC DATE	VALID FROM	VALID TO	MINERAL	MUNICIPAL	OWNER (100.00%)
Goddevarti nr 1	2018000793		148,44	2018-08-29	2018-11-26			copper, lead, zinc, iron, gold, silver	KIRUNA	Avalon Minerals Viscaria AB
			Total (ha):	148,44			TOTAL APPLIED			

*) Exploration licences Sandberget nr 400 & Sandberget nr 500 were awarded by the Mining Inspectorate 2019-02-11.

The awards are valid as from the decision date 2019-02-11; usual objection time of 3 weeks from service to the respective land and stake holder. Appeal regarding Sandberget 500 filed 2019-03-01.

**) Exploitation Concession Viscaria nr 7 has been appealed to the Swedish Government. Exploitation licence Viscaria 101 is valid until the Government's final decision regarding Viscaria nr 7.

Mineral Resources

In the table set forth below, find the Copperstone Group Mineral Resources Table is the presented. Viscaria is included as from March 8, 2019.

PERC 2017	mton	Cu (%)	Cu (kton)	Zn (%)	Zn (kton)	Au (g/t)	Au (t)	Ag (g/t)	Ag (t)		
Exploration Target - Granliden	150-210	0,25%-0,45%	375-945								
Total	180		375-945								
PERC 2017 (Viscaria JORC 2012)	mton	Cu (%)	Cu (kton)	Zn (%)	Zn (kton)	Au (g/t)	Au (t)	Ag (g/t)	Ag (t)		
Measured - Viscaria	14,6	1,7%	242								
Indicated - Viscaria	19,2	1,1%	212								
Inferred - Viscaria	18,7	0,8%	156								
Inferred - Granliden Svartliden	26,4	0,4%	114	0,1%	32	0,08	2	5,9	155		
Total	78,8		724		32		2		155		
Historical resources	mton	Cu (%)	Cu (kton)	Zn (%)	Zn (kton)	Au (g/t)	Au (t)	Ag (g/t)	Ag (t)	Pb (%)	Pb (kton)
Exploitation Concession Eva*	5,2	0,25%	13	2,4%	123	0,96	5	38	197	0,4%	19
Exploitation Concession Tvistbo**	0,6			3,3%	19			22	13	2,6%	15
Exploitation Concession Tvistbo***	0,3			3,0%	8			20	6	2,5%	7
Total	6,0		13		151		5		216		41
* Valid until 2042. Indicated by North Atlantic Natural Resources. For more information, please refer to Copperstone Annual Report 2017.											
** Valid until 2037. Indicated according to independent consultant. For more information, please refer to Copperstone Annual Report 2017.											
*** Valid until 2037. Inferred according to independent consultant. For more information, please refer to Copperstone Annual Report 2017.											

Copperstone is changing reporting standard from Fennoscandian Review Board (FRB) to the Pan-European Reserves and Resources Reporting Committee (PERC) "PERC Reporting Standard 2017". The PERC Reporting Standard is an international reporting standard that has been adopted by the mining associations in Sweden (SveMin), Finland (FinnMin) and Norway (Norsk Bergindustri), to be used for exploration and mining companies within the Nordic countries. The PERC standard has more clearly defined requirements on reporting and on Competent Persons. The change to PERC-standard is a process that will require a transition period. The current report is done as far as possible in accordance with the PERC-standard, but does not claim to be fully compliant. **PERC 2017** is the current version of disclosure standards of the Pan-European Reserves and Resources Reporting Committee, recommended for use by the Fennoscandian Association for Metals and Minerals Professionals. **JORC 2012** is the current version of the disclosure standard of the Joint Ore Reserves Committee, mandatory for all companies listed on the Australian Stock Exchange, the ASX. For more information visit the Copperstone website at www.copperstone.se

Group of Companies

Copperstone Resources AB owns the following subsidiaries (100%):

- Avalon Minerals Viscaria AB (As from March 8, 2019) ("Viscaria")
- Argo AB
- Kopparberg Mineral Exploration AB
- Copperstone Skellefteå AB

The above companies form the Group for financial documentation as reported below. For more information on the Group structure and subsidiaries please refer to the Annual Report 2018.

Assets and liabilities at the End of the Period

Cash at hand amounted to 6.9 MSEK.

Mining and exploration assets of 289.0 MSEK, corresponding to a consolidated increase of approximately 571% compared to Q1 2018.

Nordic Iron Ore AB: Copperstone holds a significant interest in Nordic Iron Ore AB ("NIO"); 1,735,483 shares corresponding to 8.72% of the shareholders equity; and a two-year bond at nominal value 7.1 MSEK, maturing June 2020. For further information, please refer to the annual report 2018.

NIO is an advanced pre-mining premium-grade iron ore project in Ludvika, Sweden. All relevant permissions are in place and the planned logistical solution to harbour facilities at Oxelösund is considered favourable. For more information regarding Nordic Iron Ore, please refer to www.nordicionore.se.

Sunstone holds a 20 MSEK loan note (at 7% interest rate per annum) that will be paid at the by July 2019, or instead converted to Copperstone shares.

Yorkville holds 18 MSEK worth of convertibles (at 0% interest rate per month) to be converted to Copperstone shares. Status of the Yorkville facility can be found on the website www.copperstone.se.

The company has secured short term loan facilities to secure working capital and closing of the Viscaria acquisition (advisory fees totalling a modest 2.55% of the Viscaria assets). Short term loan facilities amount to 11.3 MSEK (at 1.2-1.5% interest rate per month).

Norrlandsfonden holds 5.1 MSEK worth of convertibles (at 5% interest rate per annum).

Prospects for the Future

During the first quarter of 2019, the Company focused on completing the Viscaria acquisition and invested significantly in land access matters in Arvidsjaur (e g by meetings with inhabitants, land owners, stake holders as well as the extension on the Sandberget tenures). In recent years, the company has increased its mineral resource base most significantly. The focus during the upcoming 2-3 years will be to develop these large assets towards a mine reopening in Kiruna, and advancing the Copperstone project further. Drilling work is expected to commence this Summer. The Company cannot guarantee that a mine will be opened, and in what time frame, or any economic outcome in the future. Despite these risks, the Board and Management of the Company are confident that advances are being made, and that the prospect for a successful mine re-opening is high. The main drivers for this being, among others, the quality of the Viscaria ore bodies; Sweden as a superior mining jurisdiction; the copper price that has increased by more than 3 times since the closing of the Viscaria mine in 1997; and also the increased demand for copper in relation to the production of batteries used in the electrification of the transport industries as well as in other sustainable energy sources.

The Company has been financed by primarily equity during the latest 13 years. The run rate of Copperstone is less than 800KSEK per month and the Board estimates that there is promising outlook to secure working capital continuously for its ongoing operations also for the coming 12 months and beyond. The Company has excellent relations with investors and credit suppliers that can usually be brought forward at the Company's discretion.

Copperstone considers financing as an essential and continuous part of the Company's growth strategy.

Financial Results

Viscaria merger effects

Mining and exploration assets in Avalon Minerals Viscaria AB amounts to 281.9 MSEK and Copperstone to 59.3 MSEK. The potential additional purchase price to Sunstone, on receipt of environmental permit, of 46m shares and 20 MSEK are treated according to IFRS. The number of outstanding shares in Copperstone increased to 414.159.316 (415 825 982 as per the date of this report). As the acquisition is handled, in the consolidation of the Group, as an acquisition of assets rather than an acquisition of a company, the lower consideration in

comparison to the significant value of assets acquired generates a write-off of towards Group assets of the difference between consideration and acquired value.

(1) Group

Net revenue for the period was 0 (0) KSEK and loss before taxes amounted to -1 953 (-1 058) KSEK. Earnings after tax per share were -0.01 (-0.00) SEK.

Total assets at the end of the period was 312 421 (70 494) KSEK and the bank balance was 6 914 (15 826) KSEK. The closing balance of cumulative capitalised expenditure for exploration amounted to 289 029 (43 068) KSEK.

The cash flow during the period was 5 529 (-12 460) KSEK. During 2019, since the Change of Management, the run rate of Copperstone has been decreased by some 150-170.000 per month to ensure that more of shareholder funds be used for in-ground investments such as core drillings. This cost reduction is higher than the approximate run rate of Viscaria. The Company will employ an Exploration Manager and Study Manager and also further focus on strengthening the organisation at a limited cost. The cash balance as per 31st March 2019 6 914 KSEK.

(2) Parent company

Net revenue for the period was 0 (0) KSEK and loss before taxes amounted to -1 937 (-1 030) KSEK.

Investment

Investment in intangible assets is only made in the parent company and has during the period amounted to 1 078 (3 916) KSEK. Investment in intangible assets is related to exploration and project development.

Risks and Uncertainties

Mineral exploration is a high-risk high-reward business where only a few of the evaluated projects may lead to development of producing mines. Exploration results will be continuously evaluated by the Company, and there can be no guarantee that any investigations of mineralisation will lead to commercial production.

There is no guarantee that the Company can generate enough funds to finance continued operations. A failure to generate funds at the right time may lead to postponed investigations, downsized or terminated operations. A more detailed description of the risks and uncertainties of the Company can be found in the Annual Report of 2018.

Financial Calendar

August 28, 2019 Second quarterly report 2019

November 21, 2019 Third quarterly report 2019

February 20, 2020 Year-end Report 2019

This report has been reviewed by the Qualified Person of the Company (QP) Thomas Lindholm M. Sc., GeoVista AB, Luleå.

Accounting Principles

This is not an interim report as specified in the IAS 34 standard. The company complies with half-yearly reporting according to the Swedish Securities Markets Act and discloses business reviews for the three and nine-month periods of the year, in which key information regarding the company's financial situation and development will be presented. The financial information in this business review is unaudited.

Danderyd, May 14, 2019

The Board of Directors

Questions are answered by: Michael Mattsson, CEO Copperstone Resources AB, Svärdvägen 21, 182 33 Danderyd Tel: +46(0)580-88890 Email: michael.mattsson@copperstone.se

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