

Kiruna December 8, 2020

Copperstone Resources reports increased copper resources in Viscaria, in addition magnetite confirmed as a potentially valuable by-product

Copperstone Resources AB publ (“Copperstone” or “the Company”) announces that the Company’s exploration activities at the D-zone area of the Viscaria Copper Project (“Viscaria”) has resulted in an upgrade of indicated copper resources in the D-zone of +36%, with a copper grade increasing to 1.33% from 1.20% in 2015*. Inferred copper resources in the D-zone increased by +376%, with a copper grade of 1.18% versus 1.55% in 2015. The total code-compliant mineral resources at Viscaria have therefore increased from 609 kton to 699 kton of PERC-2017 compliant copper. Moreover, iron ore is introduced as a PERC 2017 code-compliant resource and potentially valuable by-product, inside the copper domain as well as within the adjacent iron ore domain.

“We are satisfied to, yet again, verify the quality of the Viscaria Copper Project. Not only have we increased the copper resource significantly, Copperstone has also introduced (premium) iron ore as a potential by-product for the future mining operations. The geological team is now starting to work on upgrading also the A- and B-zones from the shallow drill campaigns in 2019 and 2020, after which phase three of the exploration campaigns (Kiruna and Arvidsjaur) can commence to further support the work with feasibility and the environmental permit application”, says CEO Michael Mattsson.

Summary of the upgrade of the Viscaria D-zone (PERC-2017 code-compliant including Cu cut-off** of 0.8% compared to the Mineral Resource Statement from November 2015 according to JORC-2012 at no cut-off):

- a total increased copper resource of +66% from 137.1 kton* (at 1.23% Cu) to 227.7 kton* (at 1.29% Cu); whereof an increase of 44.5 kton* of indicated copper resource from 125.0 kton* (at 1.2% Cu) to 169.5 kton* (at 1.33% Cu), and an increase of 376% of inferred resources from 12.2 kton (at 1.55% Cu) to 58.2 kton (at 1.18% Cu). The substantial increases are despite the introduction of a 0.8% copper cut-off grade** and at an assumed future copper price of ~ 6,600 USD/ton (as used in the 2016 Scoping Study), conservatism providing an additional ~15% buffer when comparing with today’s market level.
- a PERC-2017 compliant Viscaria D-zone iron ore resource (within the copper domain) of 5.04 Mton iron ore* (12.77 Mton at 28.07% iron as indicated resource and 4.93 Mton at 29.41% iron as inferred resource) in close connection to the copper resources, it is based on the fact that the magnetite is hosting the bulk of the D-zone copper resource, combined with the fact that it has absolute and definitive prospects for eventual economic extraction at stated modifying factors, all according to international standards.
- a PERC-2017 compliant Viscaria D-zone iron ore resource of another 3.95 Mton iron ore (10.95 Mton at 25.76% iron as indicated resource and 4.12 Mton at 27.40% iron as inferred resource), adjacent to, yet not in direct connection to copper (hosted in iron ore).
- Overall, the code-compliant mineral resources at Viscaria has therefore increased from 609 kton to 699 kton (* and ***) of PERC-2017 compliant copper, and introduced two PERC-2017 iron ore resources, of 5.04 Mton and 3.95 Mton (* and ***), respectively.

* Please refer to table 1 and 2 below and www.copperstone.se for detailed information on tonnages and grades in each class and zone respectively of the reported mineral resources.

** The cut-off grade is the minimum grade required in order for a mineral to be economically processed. Cut-off grade is dependent on several parameters, such as operating costs and metal prices.

*** Mineral upgrades on Viscaria’s A and B-zones are pending and expected to follow later this winter. The Sunstone JORC-2012 compliant resource estimation therefore remain.

Table 1 - Viscaria Mineral Resource Statement as of November 30, 2020 (2020: 0.8% Cu cut off**** at D-zone Cu domain).

Resource Area	Classification	Tonnes (Mt)	Cu Grade (%)	Fe grade (%)	Contained Cu (kt)	Contained Fe (kt)
A Zone	Measured	14,44	1,7		240,0	
	Indicated	4,69	1,2		57,2	
	Inferred	2,48	1,0		25,5	
	Subtotal	21,61	1,5		322,7	
B Zone	Measured	0,12	1,3		1,6	
	Indicated	4,12	0,7		29,7	
	Inferred	15,41	0,8		118,7	
	Subtotal	19,65	0,8		149,0	
D Zone	D Indicated	12,77	1,33	28,07	169,5	3 585,0
	D Inferred	4,93	1,18	29,41	58,2	1 450,9
	Subtotal D	17,71	1,29	28,44	227,7	5 035,8
Overall Cu/Fe	Total	58,97	1,20	28,44	699,4	5 035,8

**** For the definition on cut-off grade please refer to ** above. No cut-off was used in the 2015 Mineral Resource Statement. Hence no cut-off used for Viscaria's A- and B-zones, since upgrade pending and expected to follow later this winter 2020/21.

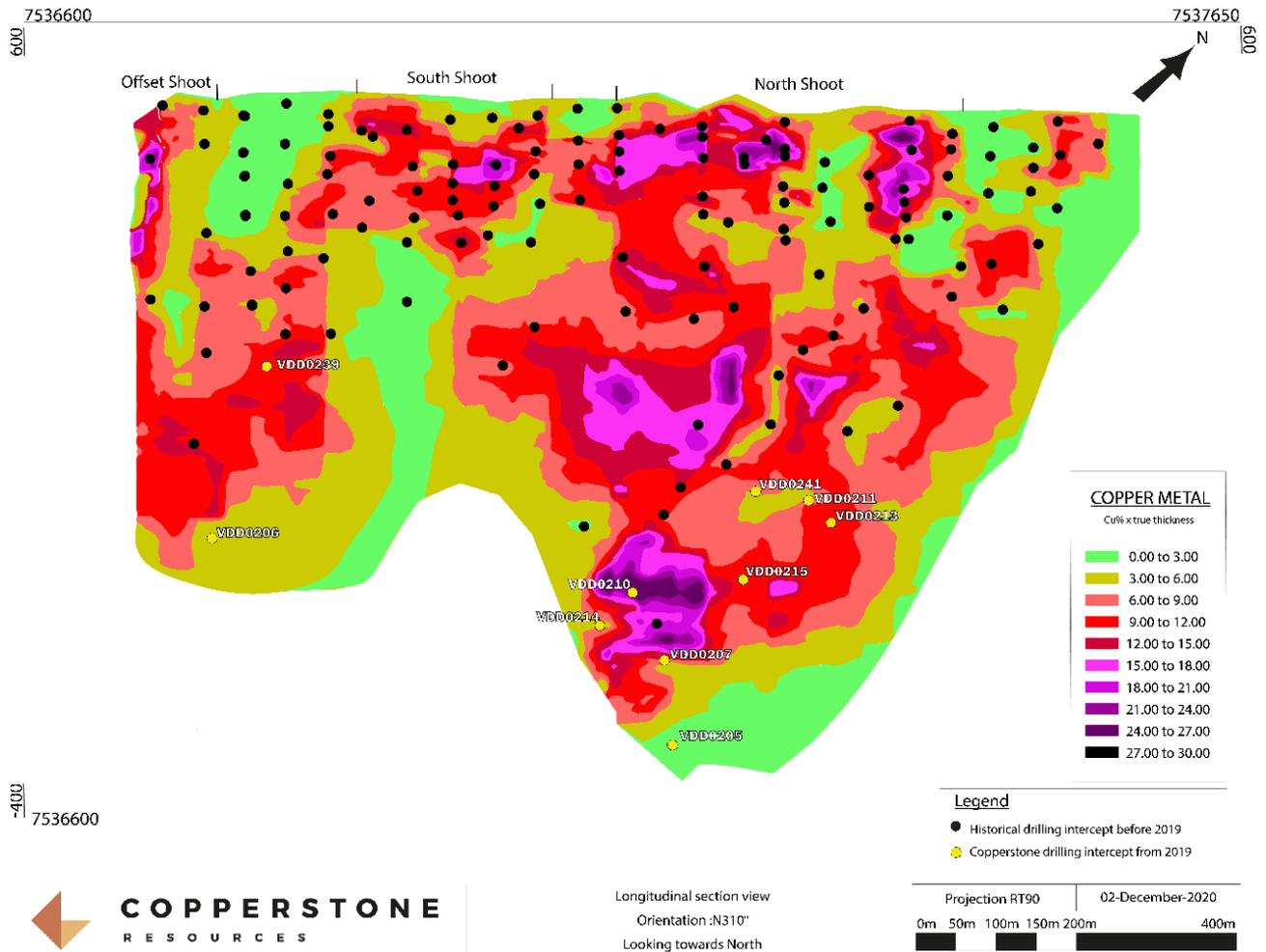
Table 2 - Viscaria Mineral Resource Statement Fe domain (20% Fe cut off)

Resource Area	Classification	Tonnes (Mt)	Cu Grade (%)	Fe grade (%)	Contained Cu (kt)	Contained Fe (kt)
D Zone	D Indicated	10,95	0,20	25,76	21,90	2 820,8
	D Inferred	4,12	0,15	27,40	6,10	1 129,9
	Subtotal D	15,07	0,19	26,21	28,00	3 950,7
Overall Cu/Fe	Total	15,07	0,19	26,21	28,00	3 950,7

Comments on the D-zone iron ore mineralization

Viscaria (by Avalon Minerals Ltd pre-Sunstone) was brought forward as a Copper/Iron ore Project (e.g. please refer to Australian Stock Exchange (ASX) announcement June 26, 2013 by Avalon). The iron ore was taken out of the Sunstone Scoping Study (2015/16), primarily due to a low world market sentiment and price for iron ore. Since then, the iron ore price has increased by approx. 200%. Copperstone now introduces PERC-2017 compliant Indicated and Inferred Mineral Resource for iron ore in the Viscaria D-zone. Preliminary metallurgical testwork, that the Copperstone Group has commissioned in Australia, has shown that a premium iron ore product of up to 66% iron could be produced from the D-zone. The Company therefore estimates that a future mining operation has the potential to produce up to 400,000 tons of concentrate per annum at 66% iron as a by-product, subject to a 1 Mton production from the D-zone. Please note that from the iron ore domain, neither the copper nor the iron ore resources have currently been included in the mine planning, yet could prove economically extractable if there is available capacity in the mine and/or metal prices remain on attractive levels in the future.

Current interpretation of the D-zone longitudinal section



“We are pleased to have taken first key step in proving solid mineral resources at Viscaria. Over 10,000 metres of new D-zone drilling was incorporated into the new model. The amount of drilling increased by 25% which resulted in a solid 38% increase of indicated tonnes and 4% increase of indicated grade. The team has done an extraordinary effort to prove accuracy and confidence of upgrade of model and to publish every step of the processes transparently.” says Exploration Manager Jari Juurela.

Background, D-zone geological activities and next steps

- Previous Mineral Resource Inventory at Viscaria is dated November 2015 and reported according to the JORC-2012 code.
- Since the 2015 Mineral Resource Statement on Viscaria, 15 holes totalling approx. 10.2 km of core drillings have been conducted on the D-zone alone. The vast majority of these 10.2 km, or approx. 8 km, derives from the Copperstone D-zone campaign phases 1 and 2, and approx. 2 km were drilled by Sunstone in 2017. The drillings were directed at the North Shoot, South Shoot, and in addition hereto the Company targets the, previously underexplored, Central Shoot. The Central shoot (discovered by Sunstone hole VDD0185 that returned 10m @ 1.2% copper, including 5.6 metre @ 1.6% copper, including 2.1 metre @ 2.2% copper) has come into

focus subsequent to new geophysical anomalies derived from an Electro Magnetic study conducted by Copperstone during 2020.

- Most of the drillholes have been extensional exploration drilling with aim to increase the resource base. Few of the holes were drilled inside 2015 mineral resource boundary to infill existing mineral resources.
- Significant assay results for the phase 1 of 7.95 km, which were drilled between September 2019 – April 2020, have been received from ALS laboratories, and reported by Copperstone on four occasions (please refer to www.copperstone.se). One significant drill hole in this campaign (VDD0213) has encountered unusually high copper mineralisation (0.6 metre at 20% copper*****) and this discovery may be related to another mineralisation event. This, as well as other interesting results, direct us towards an updated view of the D-zone property, and the D-zone mineralisation is furthermore considered to be open in all directions.
- Phase II of the Viscaria drill campaign has now been successfully completed, and Oy Kati Ab as well as Arctic Drilling Company Ltd. have now, temporarily, left the Viscaria area.
- The Company is working on the A/B-zone mineral resource upgrade, which is expected to follow later this winter (2020/21), subsequent to a complete analysis of the 2019/2020 drill programs.
- The Company is currently processing phase 2 of approx. 9 km that have been core drilled since the end of phase 1 in April 2020, and expects to return with information regarding the results some time during Q1 2021, including next steps.

**** True width not known.

Resource Estimation and Methodology

Interpretation of the copper mineralisations and hosting iron ore remain similar to the Statement from 2015 in the new estimation. Estimation parameters has been modified based on the new information.

The scoping study for Viscaria was completed April 2016. The study included open pit and underground mining designs and processing designs with required level of study of processing metallurgy. Other aspects including geotechnical study, site infrastructure designs, project execution and capital cost and operating cost were analysed in the scoping study for *inter alia* level accuracy purposes. No major changes to main parameters for this study have been identified. Mineral resource inventory reports similar grades with higher tonnage. Therefore, RPEEE (reasonable prospect for eventual economical extraction) can be assumed based on the previous scoping study with an increased confidence.

Note that a Mineral Resources Statement is not in itself a scoping study. Accordingly, no new open pit optimization or underground mine designs have been completed for this mineral resource inventory, to be announced at the time of completion of the pending feasibility study.

To comply with rules for declaration of Mineral Resources as set out by the PERC code (2017) (refer to www.copperstone.se Technical reports) it is necessary to demonstrate that reported resources have reasonable prospects for economic extraction using declared mining criteria.

All details for estimation of the Mineral Resources “*Mineral Resource Inventory Report November 2020*” will be uploaded on the Company’s website www.copperstone.se under For Investors / Technical reports.

For further information, please contact Michael Mattsson (CEO) at +46(0)705-739777, or info@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 December 8, 2020 at 08:15 CET.

About Copperstone - Copperstone is a Swedish exploration company formed 2006. During 2019, the Company acquired Viscaria deposit in Kiruna and accordingly, the Company's strategy was revised. The goal is to become a modern and responsible producing mining company through the reopening of the Viscaria mine. The deposit's high level of copper and the geographical location provides for extremely good prerequisites to become an important supplier of qualitative and responsible produced copper to customers who are driving the global change towards an electrified society. In addition to the Viscaria mine, Copperstone has several Exploitation Concessions and Exploration Permits in Arvidsjaur (Eva, Svartliden, Granliden) and Smedjebacken (Tvistbogruvan). Copperstone is accordingly represented in the three largest mining districts in Sweden. Copperstone is a public company trading as COPP B on NASDAQ First North Growth Market (Stockholm). The Certified Adviser is Augment Partners AB, info@augment.se, +46 8 505 65 172.

Qualified Person - All information in this press release has been reviewed and approved for publication by the appointed independent Qualified Person Mr Thomas Lindholm (M.Sc. Mining Engineering) of Geovista AB. Mr Lindholm is Fellow AusIMM as well as a registered Member of the Fennoscandian Association for Metals and Mining Professionals, FAMMP, and has in excess of 35 years' experience in mineral exploration in Sweden and abroad and is a Qualified Person under the Nasdaq First North Growth Market Stockholm rules. Mr Lindholm consents to the inclusion of the information in the form and context in which it appears.

The PERC-2017 compliant resources have been presented by Jari Juurela (Copperstone Exploration Manager and Competent Person), estimated and reviewed by independent auditor Chris Grove (Competent Person) at the Measured Group in Australia.

Forward-looking Statement - News releases, presentations and public commentary made by the Company, and its Officers, may contain certain statements and expressions of belief, expectation or opinion which are forward-looking statements, and which relate, inter alia, to interpretations of exploration results to date and the Company's proposed strategy, plans and objectives or to the expectations or intentions of the Company's Directors. Such forward-looking and interpretative statements involve known and unknown risks, uncertainties and other important factors beyond the control of the Company that could cause the actual performance or achievements of the Company to be materially different from such interpretations and forward-looking statements. Accordingly, the reader should not rely on any interpretations or forward-looking statements; and save as required by the exchange rules of NASDAQ First North Growth Market (Stockholm) for listed companies or by applicable laws, the Company does not accept any obligation to disseminate any updates or revisions to such interpretations or forward-looking statements. The Company may re-interpret results to date as the status of its assets and projects changes with time expenditure, metals prices and other affecting circumstances.