

YEAR-END REPORT FOR 2019

January 1 – December 31, 2019

COPPERSTONE RESOURCES AB



www.copperstone.se

Financial results for the Group for Year to date January 1 - December 31, 2019:

- The closing balance of cumulative capitalized exploration assets amounted to 303,438 (59,212) KSEK, corresponding to an increase of 412%.
- Total shareholders' equity was 264,317 (65,412) KSEK, corresponding to an increase of 304%.
- Total assets at the end of the period was 333,291 (74,681) KSEK, corresponding to an increase of 346%.
- The cash at hand at the end of the period was 19,098 (1,385) KSEK.
- Result of the period amounted to -14,552 (-459) KSEK, to significant extent due to the intensified project development and to one-offs regarding the Viscaria acquisition and the rights issue. The corresponding period included a capital gain on NIO convertible of 8.2 MSEK.
- Result of the period per share was -0.03 (-0.00) SEK.
- The cash flow during the period was 17,713 (-26,901) KSEK.

Financial results for the Group for October 1 –December 31, 2019:

- Result of the period amounted to -3,595 (-5,048) KSEK.
- Earnings after tax per share were -0.01 (-0.02) SEK.
- The cash flow during the period was 3,234 (-952) KSEK.

Significant events during the period:

- Norrlandsfonden invests in Copperstone.
- Amortization of the remaining debt regarding Viscaria.
- Viscaria Drillings - VDD0201 returns 15m @ 0.73% Cu and 6m @ 1.45% Cu outside the Mineral Resource Boundary.
- First tranche with Yorkville fully settled.
- Copperstone recruits the Study Manager to Viscaria.
- Directed placement of 2.74 MSEK.
- The Supreme Administrative Court rules in favor of Copperstone and Sandberget 500.
- Directed placement of 13.5 MSEK in cash; Jörgen Olsson nominated Chairman.

Significant events after the period:

- Recruitment of Exploration Manager.
- Viscaria Mine Drilling and Results Update.

For further information, please contact Michael Mattsson (CEO) at +46(0)580-88890, +46(0)705 739 777, 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 February 20, 2020 at 07:10 CET.

About Copperstone

Copperstone is a public company trading as COPP B on Nasdaq First North Growth Market in Stockholm, Sweden. 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 in the Bergslagen mining region, in central Sweden.

Dear shareholder,

These are exciting times for our company. After having consolidated a formidable acquisition, we are slowly but surely advancing the Viscaria Copper Project towards feasibility studies, environmental impact assessment and a mine re-opening. All this in a dynamic and volatile, yet year-on-year increasing copper price market.

We see forecasts on increasing copper demand from the electrical vehicle sector, Chilean copper supply disruption as well as a result of Phase 1 trade negotiations between the US and China. On the downside there are fears on a lower overall demand from economic downturn and the Chinese demand due to the Corona virus.

Thanks to our shareholders and increased new investor interest, we are at a healthy financial position to accomplish our near-term goals. Funds are now efficiently put to use on advancing our path towards opening of the mine.

Our technical team has been very busy, directing and supervising the drill rig, as well as analyzing the results for future guidance towards an increase of our resources. Both the B-zone deep and D-zone North promise significant potential for new resources, which would increase the mine-life.

Our Study Manager, Ian Holman, is now engaged in the resource drilling plans, and quite up to speed with the feasibility study. The Company is currently evaluating different advisors' potential contribution during the environmental permit application, which is to be submitted to the Land- and Environmental Court.

We stand firm on our realistic vision to restart Viscaria, while at the same time addressing the co-existence with our local community, environment and respect for animals as high priorities.

Michael Mattsson,
Chief Executive Officer

Significant Events during the period

The following section outlines significant events that have taken place from 1 October, 2019 up to and including 31 December, 2019.

(1) Norrlandsfonden invests in Copperstone

Norrlandsfonden will invest 2 MSEK in a convertible debenture in Copperstone with eight years to maturity. In accordance with the existing loan agreement in connection with fund raisings, Norrlandsfonden has the right, but not obligation, to invest in Copperstone. The credit facility is at Stibor 90 + 5 % annual interest with quarterly interest payments commencing from March 31, 2020. Norrlandsfonden is entitled to convert parts of, or the entirety, up and until maturity December 31, 2027. The conversion price shall be 0.60 SEK/share, corresponding to a 54% premium from the recent directed issue and a 30% premium from the rights issue price in June 2019. At full conversion, Norrlandsfonden would receive 3,333,333 B-shares.

(2) Amortization of the remaining debt regarding Viscaria

The Copperstone Board decided to amortize the remaining debt to Sunstone Metals Ltd of 5.2 MSEK including interest regarding the initial purchasing price for Avalon Minerals Viscaria AB. The initial purchasing price originally was 160m B-shares and 40 MSEK in cash. From today, only additional purchasing price remains, payable upon an approved environmental permit.

The amortization ahead of due date was made based on the fact that the Company's financial position has been significantly improved since the end of the second quarter. The theoretical net debt position has decreased by approximately 50 MSEK since the acquisition of Viscaria in March.

(3) Viscaria Drillings - VDD0201 returns 15m @ 0.73% Cu and 6m @ 1.45% Cu outside the Mineral Resource Boundary

Copperstone announced that the assay results of VDD0201 and VDD0202 were received from ALS laboratories and compiled by Copperstone, verified by the QP.

Highlights:

- The phase 1 on A zone shallow drilling was successfully completed.
- VDD0201, drilled outside of the mineral resource boundary, intersected significant copper mineralisation in the A main zone and the footwall lode, respectively **15m@0.73%Cu** from 40m and **6m@1.45%Cu** from 103m downhole depth (65m vertically below surface).
- VDD0202 intersected **18m@0.54%Cu** from 27m downhole depth, including 3m at 1.85% Cu. This intercept fits very well with the A zone resources wireframe.

(4) First tranche with Yorkville fully settled

Copperstone announced that Yorkville Advisors Global, LP (Yorkville) has decided to convert the remaining 5 MSEK of the outstanding convertible debenture into Copperstone B-shares. The first tranche of 22.5 MSEK is therefore fully settled. Copperstone is entitled, however not obliged, to, subject to certain conditions, raise up to a total of 100 MSEK through Yorkville.

(5) Copperstone recruits the Study Manager to Viscaria

Mining Engineer Ian Holman was recruited to be the responsible Study Manager for the Viscaria Copper Project. The main responsibility regarding Land access and Permits will remain at the CEO and Copperstone Board. Ian Holman will be reporting to the CEO and within specific technical areas to the Technical committee, as defined by the Copperstone Board.

(6) Directed placement of 2.74 MSEK

Copperstone strengthened its financial position by an additional 2.74 MSEK by a directed placement to two qualified investors.

The transaction structure comprised of the following: 6,231,818 shares for 2,742,000 SEK in cash, net after transaction costs of 0. Approx. 2.3 MSEK was used to amortize debt including accrued interest.

The issue price was 0.44 SEK/share, corresponding to 9.1% discount versus the closing price November 7, 2019 on Nasdaq First North Growth Market, Stockholm.

(7) The Supreme Administrative Court rules in favour of Copperstone and Sandberget 500

The Mining Inspector's award of exploration permit Sandberget 500, Arvidsjaur municipality, to Copperstone stands, as The Supreme Administrative Court in Stockholm (*Högsta Förvaltningsdomstolen*) on November 19, 2019 rejected an appeal regarding the permit.

All exploration permits with regard to the Copperstone project (Sandberget 200, 300, 400 and 500) are valid up and until year 2022.

(8) Directed placement of 13.5 MSEK in cash; Jörgen Olsson nominated Chairman

The Copperstone Board decided to strengthen the Company's cash position by 13.5 MSEK through a directed placement to a handful strategic long-term Swedish investors. The Copperstone nomination committee (consisting of the three largest owners and the Chairman) has decided to propose to the Copperstone Board and AGM 2020, to appoint Jörgen Olsson as New Chairman of Copperstone.

The transaction structure comprised of the following:

33,750,000 shares for 13,500,000 SEK in cash, prior to transaction costs of approx. 0.06 MSEK or 0.43% of the transaction. Advisory fees of 0.048 MSEK will be offset for shares in the Company, bringing the total of shares for issuing to 33,870,000, which will increase the share capital by 3,387,000 SEK. The issue price is 0.40 SEK/share, corresponding to 9.5% discount over the VWAP December 18, 2019 on Nasdaq First North Growth Market, Stockholm.

The number of outstanding shares in Copperstone subsequent to the issues is 589,431,305. Dilution amounted to 5.7%.

Significant Events after Q419 period

The following section outlines significant events that have taken place since 31 December, 2019.

1) Recruitment of Exploration Manager

Jari Juurela, the Boliden Kylylahti Geology Manager, originating from the mining town of Outokumpu in Finland, has been employed as Copperstone's Exploration Manager.

Copperstone has recruited Jari Juurela as Exploration Manager. The recruitment follows on last year's financial build up, our successful drill campaign and initiated push for a mine at Viscaria in Kiruna.

Since the acquisition of Viscaria, Copperstone has ramped up the team with a strong Technical Committee, Ian Holman as Study Manager and now Jari Juurela as Exploration Manager.

2) Viscaria Mine Drilling and Results Update

Copperstone updated the market on its Viscaria Mine drilling activities:

- A significant mineralisation extension discovered at B-zone deep.
- Additional D-zone mineralisation found along strike at South (300m below existing resource boundary) and North (250m below existing resource boundary), providing excellent potential for future resource extension.
- All 10 drill holes completed to date have encountered copper mineralisation. Assay results for one hole is still pending and is expected in March.
- Total drilling amount is now 20% of that planned prior to mine start up.

Most significant drill intersections from the latest batches of the pending drill campaign include:

- VDD0206 3m @ 1.42% Cu (D-zone South 300 m below existing Mineral Resource Boundary).
- VDD0207 9m @ 1.03% Cu (D-zone North 250 m below existing Mineral Resource Boundary).
- VDD0208 5m @ 0.43% Cu + 0.07% Co and 17m @ 0.66% Cu B-zone drilled in exploitation concession Viscaria #3, discovered a significant potential of mineralisation open in depth.

Company Ownership

As at December 30 2019, the Company has a total of 555,561,305 shares in issue on the First North platform. According to Euroclear Sweden AB, the share register (including additions from the December 2019 directed issue not yet registered by the year-end) was as follows.

Shareholder	Number of shares	Ownership
Sunstone Metals Ltd	169 170 190	28,7%
Avanza Pension	25 520 318	4,3%
Michael Mattsson*	17 900 917	3,0%
Björn Israelsson	12 950 000	2,2%
Emanuel Lipschütz (incl Spiky Investments AB)**	12 500 000	2,1%
ABN Amro	10 612 469	1,8%
Per-Olof Bucht	10 000 000	1,7%
JOHECO AB**	10 000 000	1,7%
Nordnet Pension***	9 776 991	1,7%
Anders Larsson	7 100 000	1,2%
Fredrik Attefall	5 097 656	0,9%
Skandinavkonsult AB**	5 000 000	0,8%
Anna Alvarsdotter	3 500 000	0,6%
Others	290 302 764	49,3%
Total****	589 431 305	100,0%

* Including 5m Loan shares to Yorkville Advisors and capital insurance.

** Participation in the Directed share issue December 2019.

*** Excluding capital insurance regarding *.

**** Including shares deriving from the Directed issue December 2019, not yet registered.

Organisation

Under the Corporate Management of CEO Michael Mattsson based out of the Stockholm region, Project Geologist Maurice Zongo, reporting to the CEO, is heading the Kiruna team of three. The Management is further advised by the Technical committee of the Board of Directors and by Geovista within technical matters. Jari Juurela will commence as the Copperstone Exploration Manager by March 9, 2020. Mining Engineer Ian Holman (Study Manager), Anders Lundkvist (water base line studies) and Geologist Karsten Drescher (GIS database) are consultants to the Company. Thomas Lindholm, Geovista, is the Company's Qualified Person.

The Company has commissioned 500sqm core logging facilities in Kiruna and in Malå. Office space rented in the Stockholm region and smaller drill core storages in Kopparberg and at SGU Malå, respectively. Laboratory services are being supplied by ALS Global, an internationally accredited laboratory group.

Permits and Concessions

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 in the Bergslagen mining region, in central Sweden.

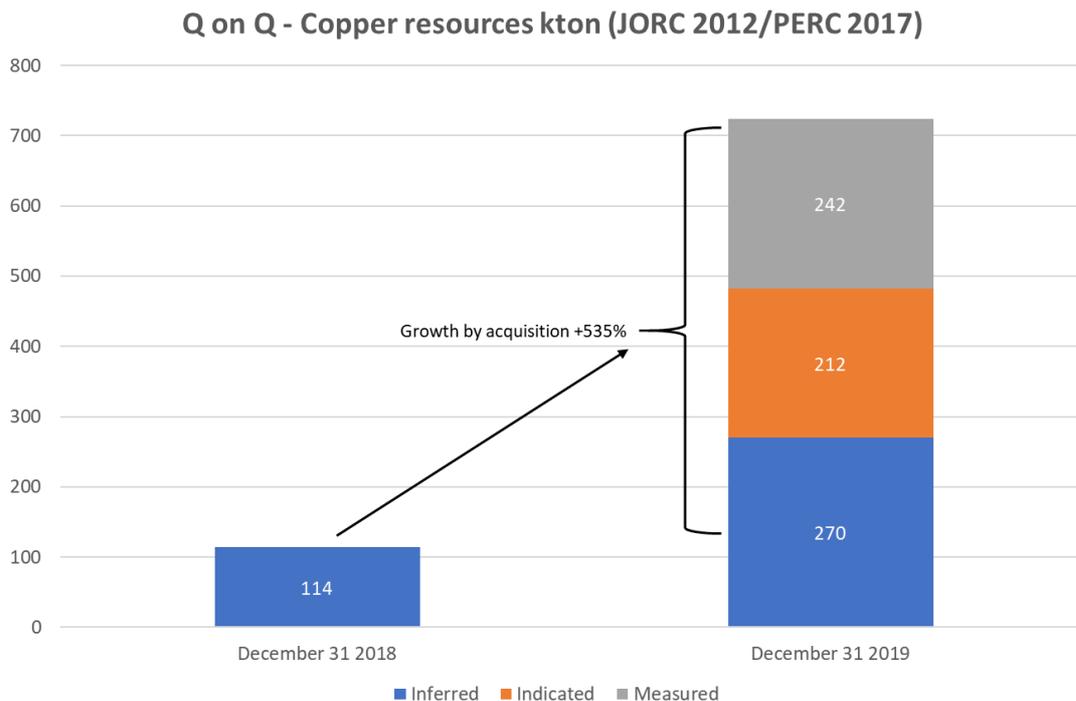
The table set forth below depicts the Copperstone Group's exploitation concessions and exploration permits as per January 10, 2020, according to the Mining Inspectorate's Minerals Rights Register (Sw: *Mineralrättsregistret*).

APPROVED CONCESSION										
NAME	DIARYNR		AREA	APPL_DATE	DEC_DATE	VALIDFROM	VALIDTO	MINERAL	MUNICIPAL	OWNERS (100%)
Svarttjiden K nr 1	00000086:R		35,9653	1998-12-28	2000-12-27	2000-12-27	2025-12-27	lead, gold, copper, silver, zinc	ARVIDSJAUR	Copperstone Resources AB (100.00%)
Viscaria K nr 3	2010000482		115,701	2010-04-19	2012-02-21	2012-01-16	2037-01-16	gold, iron, copper, silver, zinc	KIRUNA	Avalon Minerals Viscaria AB (100.00%)
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 (100.00%)
Tvistbogruvan K nr 1	2011000697		11,414	2011-05-24	2013-09-07	2012-04-17	2037-04-17	lead, gold, copper, manganese, silver, tungsten, zinc	SMEDJEBACKEN	Kopparberg Mining Exploration AB (100.00%)
Eva K nr 1	01183/2009000285		34,23	2007-09-17	2018-09-27	2017-11-13	2042-11-13	lead, gold, copper, silver, zinc	ARVIDSJAUR	Copperstone Resources AB (100.00%)
Viscaria K nr 7	2011000312		63,81	2010-04-19	2018-05-03	2018-03-26	2043-03-26	copper	KIRUNA	Avalon Minerals Viscaria AB (100.00%)
VALID LICENCES										
NAME	LICENCEID	DIARYNR	AREA [ha]	APPL_DATE	DEC_DATE	VALIDFROM	VALIDTO	MINERAL	MUNICIPAL	OWNERS (100%)
Viscaria nr 101	2002:104	2002000538	1472,2928	2002-07-10	2015-11-12	2002-10-16	2017-10-16	copper	KIRUNA	Avalon Minerals Viscaria AB (100.00%)
Viscaria nr 107	2009:136	2009000673	1842,75	2009-05-07		2009-08-10	2019-08-10	copper	KIRUNA	Avalon Minerals Viscaria AB (100.00%)
Viscaria nr 112	2011:197	2011000457	2254,38	2011-04-07		2011-12-05	2019-12-05	copper	KIRUNA	Avalon Minerals Viscaria AB (100.00%)
Yhteinenjärvi nr 1	2015:8	2014001160	963,26	2014-09-23	2018-03-27	2015-01-22	2020-01-22	iron	KIRUNA	Avalon Minerals Viscaria AB (100.00%)
Viscaria East	2017:93	2017000170	211,94	2017-02-24	2017-06-09	2017-06-09	2020-06-09	copper	KIRUNA	Avalon Minerals Viscaria AB (100.00%)
Viscaria nr 1	2008:119	2007001504	818,71	2007-11-16	2018-09-14	2008-06-24	2020-06-24	copper	KIRUNA	Avalon Minerals Viscaria AB (100.00%)
Nihka East	2015:86	2015000400	144,14	2015-04-14	2018-09-13	2015-06-16	2021-06-16	copper	KIRUNA	Avalon Minerals Viscaria AB (100.00%)
Kirkkovaarti nr 1	2018:130	2018000562	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 (100.00%)
Rengarde nr 1	2018:131	2018000563	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 (100.00%)
Sandberget nr 500	2019:17	2018000891	7640,97	2018-09-28	2019-02-11	2019-02-11	2022-02-11	gold, copper, silver, zinc	ARVIDSJAUR	Copperstone Resources AB (100.00%)
Sandberget nr 400	2019:16	2018000890	535,56	2018-09-28	2019-02-11	2019-02-11	2022-02-11	gold, copper, silver, zinc	ARVIDSJAUR	Copperstone Resources AB (100.00%)
Sandberget nr 300	2012:139	2012000801	18,7044	2012-06-27	2018-11-29	2012-10-03	2022-10-03	gold, copper, silver, zinc	ARVIDSJAUR	Copperstone Resources AB (100.00%)
Sandberget nr 200	2012:138	2012000797	19,188	2012-06-27	2018-11-29	2012-10-03	2022-10-03	gold, copper, silver, zinc	ARVIDSJAUR	Copperstone Resources AB (100.00%)
Goddevarri nr 101	2019:94	2019000924	148,44	2019-08-21	2019-12-04	2019-12-04	2022-12-04			
			Total [ha]:	19974,02		TOTAL APPROVED				
APPLIED LICENCES										
NAME	LICENCEID	DIARYNR	AREA	APPL_DATE	DEC_DATE	VALIDFROM	VALIDTO	MINERAL	MUNICIPAL	OWNERS
Viscaria nr 107	2009:136	2019000878	1842,75	2019-08-09		2009-08-10	2019-08-10	koppar	Kiruna	Avalon Minerals Viscaria AB (100.00%)
Viscaria nr 112	2011:197	2019001271	2254,38	2019-12-05		2011-12-05	2019-12-05	koppar	Kiruna	Avalon Minerals Viscaria AB (100.00%)
			Total [ha]:	4097,13		TOTAL APPLIED				

Validity dates are shown above and quoted surface areas are approximate in hectares. All exploration permits and exploitation concessions are 100% owned, either directly or through a subsidiary. Please refer to www.copperstone.se *Corporate* for the full information.

Mineral Resources

In the figure set forth below, the Copperstone Group Code Compliant Mineral Copper Resources are presented. The code compliant copper resources increased by 535 percent (higher class) compared to the same quarter 2018. For a complete resource table, including a breakdown of tonnages and grades in each category, pls refer to www.copperstone.se



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 counties. 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 fully owns the following subsidiaries (100%):

- Avalon Minerals Viscaria AB
- Argo AB
- Kopparberg Mining Exploration AB
- Copperstone Skellefteå AB

The above companies form the Group for financial documentation as reported below.

Financing, cash flow and prospect for the future

The Company has since its inception 14 years ago, succeeded in funding the exploration operations as well as the acquisitions made, primarily by shareholders equity. The Company has grown its mineral resources base outstandingly, and is currently at a healthy cash position. Copperstone will need additional funds up and until the mine at Viscaria has been re-opened. The Company has 77.5 MSEK possible (no obligation) to withdraw from the US based fund Yorkville Advisors, that currently (from tranche 1) has no convertible debentures nor Copperstone shares at hand. Finding the best possible financing for the development of Copperstone is a continuous and active process with a clear focus on creating shareholder value. The Environmental Permit, 22 kilometers of drillings for a DFS is estimated at two years from now and estimated at less than 100 MSEK. The construction of the ore processing plant is estimated at 1,250 MSEK, financing of which is being discussed with different categories, from miners, authorities, to sizeable banks. The aim is to complete the funding well in advance of an expected Environmental permit for Viscaria, which would be a natural condition for a loan consortium. The Board is optimistic regarding the short- and long-term funding capacity of Copperstone.

Interim Report principles

The Consolidated Accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU, and with the Swedish Financial Reporting Board recommendation, RFR1, complementary accounting rules for Groups, which specifies the supplementary information required in addition to IFRS standards, pursuant to the provisions of the Swedish Annual Accounts Act. The Parent Company Accounts have been prepared in accordance with the Swedish Financial Reporting Board recommendation, RFR2 Accounting for a legal person. This Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting, and in accordance with the Swedish Annual Accounts Act, while the Parent Company accounts have been prepared in accordance with the Swedish Annual Accounts Act.

This interim report is prepared according the IAS 34 Interim reporting and according to the Swedish Financial Reporting Standards Board (*Rådet för finansiell rapportering*) RFR 1 and for the parent company RFR 2. The same accounting principles and calculation methods were used in the latest Year-End Report. For a more detailed description for the accounting principles applied for the consolidated accounts and for the parent company in this interim report, see the Annual Report of 2018.

IFRS 16 "Leases" is now fully in force for the financial years beginning 1 January 2019. During the transition to IFRS 16, the Group will use a modified retroactive method, which means that the financial year 2019 will not be recalculated. The lease liability is the sum of the present value of all future fees until the lease expires. The simplification rule has been applied at the transition. The estimated opening balance of the lease debt and assets amounts to 0.3 MSEK for existing leasing agreements. The lease agreements refer office and core shed facilities.

In the parent company, the exception in RFR 2 regarding leasing agreements will be applied. This means that the parent company's principles for accounting of leasing agreements will be unchanged.

Financial Results - Group

This report also contains the updated financial reports for the Parent Company and all subsidiary Companies (the Group) for the Q419 period from October 1, 2019 until December 31, 2019, the cumulative 12 months period of 2019, and also both compared to the equivalent 2018 results.

(1) October 1 to December 31, 2019

Net sales for the period was 0 (0) MSEK and result of the period amounted to -3.6 (-5.0) MSEK.

Earnings after tax per share were -0.01 (-0.02) SEK.

The cash flow during the period was 3.2 (-1.0) MSEK. The cash flow from operations were 1.9 (-0.7) MSEK, investments were 10.0 (-2.7) MSEK and financing during period were 11.3 (2.5) MSEK.

(2) January 1 to December 31, 2019

Net sales for the period was 0 (0) MSEK and result of the period amounted to -14.6 (-0.5) MSEK. Earnings after tax per share were -0.03 (0.00) SEK.

Capitalized expenditure for exploration in intangible assets effects operating revenue with the same amount as costs. During the period this amounted to 10.3 MSEK, representing 49% (79%) of operating expenses (before depreciation) of 21.0 MSEK. Investment in intangible assets is related to exploration and project development. The major part of the exploration investments occurred during the second half of 2019, after a consolidation period of the significant Viscaria acquisition and community relation build-up during the first half.

The cash flow during the period was 17.7 (-26.9) MSEK. The cash flow from operations was -14.8 (-6.4) MSEK, investments was -26.2 (-20.6) MSEK and financing during period was 58.8 (0.1) MSEK.

Total Assets - Group as per December 31, 2019

Total assets at the end of the period was 333.3 (74.7) MSEK, corresponding to an increase of 346%.

Capitalized Mining and Exploration assets of 303.4 (59.2) MSEK, corresponding to a consolidated increase of 412% compared to December 31, 2018, mainly referring to the acquisition of Viscaria.

Nordic Iron Ore AB. As per December 31, 2019, Copperstone owned 59,538 shares and 23,814 so called BTA (paid subscription shares) in Nordic Iron Ore AB ("NIO") to a value of approximately 0.25 MSEK; and a two-year convertible bond at nominal value 7.2 MSEK (June 2018), maturing in June 2020 with an annual interest of 5.5%*. 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 harbor facilities at Oxelösund is considered highly favorable.

* Subsequent to the rights issue in NIO, the price at maturity/conversion has been re-calculated from 10 SEK to approx. 9 SEK, in accordance with the terms and conditions. Copperstone will therefore, if conversion takes place, receive almost 10% additional NIO shares.

Cash at hand amounted to 19.1 MSEK (1.4).

Share capital as per December 31, 2019 amounted to 55.6 (24.9) MSEK and as per the date of this report it was 58.9 MSEK.

As per December 31, 2019 the number of shares in issue was 555,561,305. As per the date of this report, the number of shares in issue was 589,431,305.

Interest-bearing liabilities as per December 31, 2019** and as per the date of this report:

Short term loan facilities to amount to 7.0 (2.5) MSEK at 1.2-1.5% interest rate per month (4.5 MSEK as per the date of this report at 1.2-1.35% interest rate per month).

Norrlandsfonden held 5.1 (5.1) MSEK worth of convertibles at ~5% interest rate per annum (another 2 MSEK approved, paid out in 2020). For more information please refer to the Company's Annual Report 2018.

** In addition, **non-interest-bearing debt to Sunstone** payable upon Environmental Permit in Kiruna. The original agreement at closing March 8, 2019, states 20 MSEK and 46m B-shares. The theoretical debt at December 31, 2019 according to IFRS amounted to 48.4 MSEK, including a likelihood of 80% for an Environmental Permit sometime in the future. The debt was, based on prudence principle, calculated at 0.88 SEK/share (at the time of Closing). For reference, at the date of this report, the corresponding theoretical debt market-to-market (0.5 SEK/share) is approx. 34 MSEK.

Financial results Parent company

(1) 1 October to 31 December 2019

Net sales for the period was 0 (0) MSEK and loss before taxes amounted to -6.1 (-5.0) MSEK.

(2) 1 January to 31 December 2019

Net sales for the period was 0 (0) MSEK and result before taxes amounted to -15.7 (-0.4) MSEK.

Risks and Uncertainties

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

Statutory Reports and Financial Calendar

February 20, 2020 Year-end Report 2019

April 20, 2020 Annual Report 2019

May 20, 2020 Business Review Q1 2020

May 20, 2020 Annual General Meeting

August 20, 2020 Half-year Report 2020

November 20, 2020 Business Review Q3 2020

February 19, 2021 Year-end Report 2020

Annual General Meeting

The Annual General Meeting ("AGM") of the Company is planned to be held on May 20, 2020. The venue and time will be presented in the Notice to the AGM.

Dividend

The Board proposes that no cash dividend is paid out with respect to the financial year January 1 to December 31, 2019.

Review

This report has not been reviewed by the Company Auditor.

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

Danderyd, February 20, 2020***The Board of Directors***

Questions are answered by: Michael Mattsson, CEO

Copperstone Resources AB

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INCOME STATEMENT – GROUP (KSEK)

	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2019	2018	2019	2018
	3 mån	3 mån	12 mån	12 mån
Operating Revenue				
Net sales	-	-	-	-
Capitalized expenditure for exploration	7 987	2 730	10 334	20 061
Other operating revenue	-	-	-	-
Total operating revenue	7 987	2 730	10 334	20 061
Operating expenses				
Other external costs	-11 063	-3 958	-17 373	-24 793
Wages, salaries and other personnel costs	316	-186	-3604	-667
Depreciation of intangible and tangible assets	-106	-14	-1341	-50
Other operating expenses	-	-	-	-
Total operating expenses	-10 853	-4 158	-22 318	-25 510
Operating profit/loss	-2 866	-1 428	-11 984	-5 449
Financial items				
Financial income	74	-3540	883	9 407
Financial expenses	-803	-80	-3 451	-4417
Net financial items	-729	-3 620	-2568	4 990
Net loss before tax	-3 595	-5 048	-14 552	-459
Result of the period	-3 595	-5 048	-14 552	-459
Other comprehensive income				
Total	-3 595	-5 048	-14 552	-459
Attributable to:				
Parent company shareholders	-3 595	-5 048	-14 552	-459
Total	-3 595	-5 048	-14 552	-459
Number of shares				
Number of shares at the end of the period	555.561.305	248.603.761	555.561.305	248.603.761
Average number of shares	542.200.149	245.964.872	425.928.981	243.256.539
Result per share, SEK	-0,01	-0,02	-0,03	0,00

BALANCE SHEETS – GROUP (KSEK)

	31-dec-19	31-dec-18
Assets		
Fixed assets		
<i>Intangible assets</i>		
Capitalized expenditure for exploration	303 438	59 212
Total intangible assets	303 438	59 212
<i>Tangible assets</i>		
Right of use assets	395	-
Equipment, tools, fixtures and fittings	521	225
Total tangible assets	916	225
<i>Financial assets</i>		
Available-for-sale financial assets	254	5 864
Other long-term receivables	73	7 258
Total financial assets	327	13 122
Total fixed assets	304 681	72 559
Current assets		
<i>Receivables</i>		
Tax receivables	88	88
Other receivables	9 167	514
Prepaid expenses and accrued income	257	135
Total receivables	9 512	737
Cash and bank balance	19 098	1 385
Total current assets	28 610	2 122
TOTAL ASSETS	333 291	74 681
EQUITY AND LIABILITIES		
Shareholders equity		
Share capital	55 556	24 860
Unregistered capital	3 337	-
Other contributed capital	306 060	126 924
Loss brought forward included loss for the period	-100 636	-86 372
Total shareholders equity	264 317	65 412
Deferred tax	-	37
Long-term liabilities	53 484	5 100
<i>Current liabilities</i>		
Loan	7 000	2 500
Accounts payable	5 449	272
Other liabilities	721	356
Accrued expenses and deferred income	2 320	1 004
Total current liabilities	15 490	4 132
TOTAL EQUITY AND LIABILITIES	333 291	74 681

STATEMENT OF CHANGES IN EQUITY – GROUP (KSEK)

	Share capital	Unregistered capital	Contributed capital	Retained earnings	Total equity
Opening balance 1/1/2019	24 860		126 924	-86 372	65 412
New capital issue	30 696		172 998		203 694
New unregistered capital		3 337	10 011		13 348
New capital issue costs			-3 873		-3 873
Warrants				288	288
Total result of the period				-14 552	-14 552
Closing balance 31/12/2019	55 556	3 337	306 060	-100 636	264 317

STATEMENT OF CHANGES IN EQUITY – GROUP (KSEK)

	Share capital	Contributed capital	Retained earnings	Total equity
Opening balance 1/1/2018	24 235	126 049	-83 229	67 055
New capital issue	625	875	70	1 570
New capital issue costs				
Dividend			-2 754	-2 754
Total result of the period			-459	-459
Closing balance 31/12/2018	24 860	126 924	-86 372	65 412

CASH FLOW STATEMENT- GROUP (KSEK)

	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
	3 mån	3 mån	12 mån	12 mån
LIQUIDITY GENERATED FROM/ USED ON OPERATION				
Generated from this periods operations	-2 781	-1 500	-11 518	-5 946
Change in working capital	4 644	778	-3 276	-494
Cash generated from operations	1 863	-722	-14 794	-6 440
LIQUIDITY GENERATED FROM/ USED ON INVESTMENTS				
Investments in intangible assets	-3 853	-2 730	-6 200	-20 061
Investments in tangible assets	-	-	-	-
Sales of tangible assets	-	-	-	-
Investments in financial assets	-6 100	-	-26 100	-500
Sales of financial assets	-	-	6 051	-
Net change in liquidity from investments	-9 953	-2 730	-26 249	-20 561
LIQUIDITY GENERATED FROM/ USED ON FINANCING				
New capital issue	16 078	-	44 879	-
Loans	2 500	2 500	34 800	6 100
Amortisation of loans	-7 254	-	-20 923	-6 000
Net change in liquidity from financing	11 324	2 500	58 756	100
Net change in liquidity through the period	3 234	-952	17 713	-26 901
Liquidity opening balance period	15 864	2 337	1 385	28 286
LIQUIDITY CLOSING BALANCE PERIOD	19 098	1 385	19 098	1 385

INCOME STATEMENT – PARENT COMPANY (KSEK)

	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2019	2018	2019	2018
	3 mån	3 mån	12 mån	12 mån
Operating Revenue				
Net sales	-	-	-	-
Capitalized expenditure for exploration	-1 918	2 730	429	20 061
Other operating revenue	-	-	-	-
Total operating revenue	-1 918	2 730	429	20 061
Operating expenses				
Other operating expenses	-985	-3 958	-7 200	-24 736
Wages, salaries and other personnel costs	316	-186	-3 604	-667
Depreciation of intangible and tangible assets	-14	-14	-58	-50
Other operating expenses	-	-	-	-13
Total operating expenses	-683	-4 158	-10 862	-25 466
Operating profit/loss	-2 601	-1 428	-10 433	-5 405
Financial items				
Results from participation in associated companies	-	-	-	-
Results from others securities and receivables from fixed assets	-	-3 671	0	4 640
Other interested income and similar profit/loss items	3 953	131	783	912
Interest expense and similar profit/loss items	-7 415	-82	-6 061	-561
Net financial items	-3 462	-3 622	-5 278	4 991
Result before tax	-6 063	-5 050	-15 711	-414
TOTAL RESULT FOR THE PERIOD				
THE TOTAL COMPREHENSIVE INCOME OF THE PERIOD PARENT COMPANY (KSEK)				
OTHER TOTAL RESULT OF THE PERIOD				
TOTAL RESULT OF THE PERIOD	-6 063	-5 050	-15 711	-414
Attributable to:				
Parent company shareholders	-6 063	-5 050	-15 711	-414
Total	-6 063	-5 050	-15 711	-414

BALANCE SHEETS – PARENT COMPANY (KSEK)	31-dec-19	31-dec-18
Assets		
Fixed assets		
<i>Intangible assets</i>		
Capitalized expenditure for exploration	58 694	58 265
Total intangible assets	58 694	58 265
<i>Tangible assets</i>		
Equipment, tools, fixtures and fittings	170	228
Total tangible assets	170	228
Financial assets		
Participations in group companies	248 890	13 711
Other securities held as fixed assets	254	5 864
Other long-term receivables	48	7 233
Total financial assets	249 192	26 808
Total fixed assets	308 056	85 301
Current assets		
<i>Receivables</i>		
Receivables from group companies	11 720	3 906
Tax receivables	88	88
Other receivables	9 089	512
Prepaid expenses and accrued income	201	135
Total receivables	21 098	4 641
Cash and bank balance	18 970	1 152
Total current assets	40 068	5 793
TOTAL ASSETS	348 124	91 094
EQUITY AND LIABILITIES		
Shareholders equity		
<i>Restricted equity</i>		
Share capital	55 556	24 860
Unregistred capital	3 337	-
Fund for development reserve	39 588	39 159
Total restricted equity	98 481	64 019
<i>Non-restricted equity</i>		
Share premium account	299 411	120 275
Loss brought forward	-117 069	-116 513
Result for the year	-15 711	-414
Total non-restricted equity	166 631	3 348
Total shareholders equity	265 112	67 367
Long-term liabilities	53 484	5 100
Current liabilities		
Loans	7 000	2 500
Accounts payable	5 358	267
Liabilities to group companies	14 569	14 569
Other liabilities	363	361
Accrued expenses and deferred income	2 238	930
Total current liabilities	29 528	18 627
TOTAL EQUITY AND LIABILITIES	348 124	91 094