

Danderyd May 20, 2020

BUSINESS REVIEW - JANUARY TO MARCH 2020

Copperstone Resources AB (“Copperstone” or “the Company”) is pleased to announce a Business Review (Q1 2020) for the Company.

Group Highlights Q1/20 period (Q1/19):

- The capitalized investments in exploration assets increased to 311,040 (289,029) KSEK.
- Shareholders’ equity increased by 30.3% to 265,193 (203,493) KSEK.
- Result of the period amounted to -1,674 (-1,953) KSEK.
- Total assets at the end of the period was 333,101 (312,421) KSEK.
- The cash flow during the period was -8,381 (5,529) KSEK.
- The liquidity at the end of the period was 10,717 (6,914) KSEK.

Significant events during the Q1/20 period:

- In February, 2020, 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.
- In March, 2020, Copperstone updated the market on its continuing exploration at the Viscaria D-zone, and on encouraging high copper grades returned from Viscaria. Very long intersections (VDD0210) 88m @ 1.1% Cu, including 16.5m @ 2.3% Cu and (VDD0211) 4.9m @ 1.3% Cu, both outside the mineral resource boundary.
- In March, 2020, a directed placement of 2.4 MSEK in cash was concluded.

Significant events after the Q1/20 period:

- In April, 2020, Copperstone announced that the first phase of 8,000m core drilling campaign at Viscaria is completed within short, and a temporary drill pause will take place.
- In May, 2020, a directed placement of 24 MSEK in cash was concluded.

“I am very impressed by the progress I feel on a countless number of active work streams currently at Copperstone. Ultimately, as we continue to prove the great foundation in terms of our great assets, permit portfolio, land access matters, relations as well as funding capabilities, I am convinced that our company will receive all the attention deserved”, comments CEO Michael Mattsson.

The complete Q1/20 business review is attached. For further information, please contact Michael Mattsson (CEO) at +46(0)705 739 777, 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 20, 2020 at 14:20 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.

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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Significant Events during Q1/20 period

The following section outlines in time order all significant events that have taken place from January 1 2020 up to and including March 31 2020.

Significant events during the Q1/20 period:

- In February, 2020, 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.
- In March, 2020, Copperstone updated the market on its continuing exploration at the Viscaria D-zone, and on encouraging high copper grades returned from Viscaria. Very long intersections including (VDD0210) 88m @ 1.1% Cu, including 16.5m @ 2.3% Cu and (VDD0211) 4.9m @ 1.3% Cu, both outside the mineral resource boundary.
- In March, 2020, Copperstone concluded a directed placement of 2.4 MSEK in cash. The number of outstanding shares in Copperstone subsequent to the issue is 596 142 417. Dilution was 1.1%.

Significant events after the Q1/20 period:

- By beginning of April, 2020, Copperstone, after 7,580 meters of successful cooperation with Kati Oy, decided to temporarily pause the ongoing drill campaign Viscaria. The initial contract comprising of 8,000 metres will therefore be met at completion of VDD0215. There is no amendment to the long-term plan, intention of 22,000 metres pre mine-reopening drillings over 24 months (i.e. we expect a further 14,000 metres). Since Kati has requested a maintenance rig work, Copperstone did not face any stand-still costs. Copperstone continues to operate with a light cost base, and as the maintenance break coincides with the global turmoil related to Corona, the Company will use the break to further lower our costs.
- In May, 2020, Copperstone concludes a directed placement of 24 MSEK in cash, whereof 7,547,170 subscribed for by JOHECO represented by nominated Chairman Jörgen Olsson. The number of outstanding shares in Copperstone subsequent to the issue is 641,275,703. Dilution was 7.0%.

Comments on reporting structure and the practice of financial reporting

Copperstone was changing the practice of financial reporting from 2019. Copperstone complies with half-yearly reporting according to the Swedish Securities Markets Act and publishes 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.

Company Ownership

As at May 12, 2020, the Company has a total of 596,142,417 shares in issue on the First North platform. According to Euroclear Sweden AB, the share register as per March 31, 2020 (with known changes) was as follows.

Shareholder	Number of shares	Ownership
Sunstone Metals Ltd*	160 000 000	27,1%
Avanza Pension	22 613 807	3,8%
Michael Mattsson**	18 792 824	3,2%
Nordnet Pension***	16 764 278	2,8%
Björn Israelsson	13 600 000	2,3%
Emanuel Lipschütz (incl. Spiky Investments AB)	12 500 000	2,1%
Per-Olof Bucht	10 000 000	1,7%
JOHECO AB	10 000 000	1,7%
Anders Larsson	7 100 000	1,2%
Fredrik Attefall	5 300 000	0,9%
Others	312 760 396	53,1%
Total	589 431 305	100,0%

* As per May 12, 2020.

** As per May 12, 2020, including 6.611.112 Loan shares and capital insurance.

*** Excluding capital insurance regarding **.

Staff and Office Management / Organisation

Under the Corporate Management of CEO Michael Mattsson based out of the Stockholm region, Exploration Manager Jari Juurela and Project Geologist Maurice Zongo are heading the Kiruna team. The Management is further advised by the Technical committee of the Board of Directors and by Geovista within technical matters. Mining Engineer Ian Holman (Viscaria 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 (company preparing a transfer to Arvidsjaur, where we belong, and in closer proximity to the Copperstone project). Office space rented in the Stockholm region and smaller drill core storages in Västerås and at SGU Malå, respectively. Laboratory services are being supplied by ALS Global, an internationally accredited laboratory group.

Permits and Concessions

The table set forth below depicts the Copperstone Group's exploitation concessions and exploration permits as per May 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	
Svartliden K nr 1	200000086/R:R	35,9653	1998-12-28	2000-12-27	2000-12-27	2025-12-27	lead, gold, copper, silver, zinc	ARVIDSJÄUR	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	2007001183/2009000285	34,23	2007-09-17	2018-09-27	2017-11-13	2042-11-13	lead, gold, copper, silver, zinc	ARVIDSJÄUR	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	LICENSEID	DIARYNR	AREA [ha]	APPL_DATE	DEC_DATE	VALIDFROM	VALIDTO	MINERAL	MUNICIPAL	OWNERS
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 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		2015-01-22	2020-01-22	copper, gold, 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%)
Viscaria nr 107	2009-136	2009000673	1842,75	2009-05-07	2020-05-07	2009-08-10	2021-08-10	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	ARVIDSJÄUR	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	ARVIDSJÄUR	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	ARVIDSJÄUR	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	ARVIDSJÄUR	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	copper, lead, zinc, iron, gold, silver	KIRUNA	Avalon Minerals Viscaria AB (100.00%)
Total [ha]:			19974,02	TOTAL APPROVED						
APPLIED LICENCES										
NAME	LICENSEID	DIARYNR	AREA	APPL_DATE	DEC_DATE	VALIDFROM	VALIDTO	MINERAL	MUNICIPAL	OWNERS
Viscaria nr 112	2011-197	2019001271	2254,38	2019-12-05		2011-12-05	2019-12-05			
Yhteinenjärvi nr 1	2015-8	2020000070	963,26	2020-01-21		2015-01-22	2020-01-22	koppar	Kiruna	Avalon Minerals Viscaria AB (100.00%)
Total [ha]:			3217,64	TOTAL APPLIED						
*) Exploitation Concession Viscaria nr 7 has been appealed to the Swedish Government. Exploration licence Viscaria 101 is valid until the Government's final decision regarding Viscaria nr 7.										
**) Ext. application was submitted on 2019-12-05										
***) Ext. application was submitted on 2020-01-21										

- On May 7, 2020, Copperstone's subsidiary Avalon Minerals Viscaria AB received a 2-year extension on exploration permit Viscaria 107, the strategically important Southern extension of the D-zone.

Mineral Resources

In the table set forth below, find the Copperstone Group Mineral Resources Table is the presented.

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 2019.											
** Valid until 2037. Indicated according to independent consultant. For more information, please refer to Copperstone Annual Report 2019.											
*** Valid until 2037. Inferred according to independent consultant. For more information, please refer to Copperstone Annual Report 2019.											

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
- Argo AB
- Kopparberg Mineral Exploration AB
- Copperstone Skellefteå AB

The above companies forms the Group for financial documentation as reported below. For more information on the Group structure and subsidiaries please refer to the Annual Report 2019, available at www.copperstone.se.

Assets and Liabilities March 31, 2020 (compared to the same date 2019)

The capitalized investments in *exploration assets* increased to 311.0 MSEK (289.0) MSEK.

Cash at hand 10.7 MSEK (6.9 MSEK).

Value of NIO shares approx. 0.15 MSEK.

Nominal value of NIO convertible note 7.185 MSEK + 5.5% annual interest as from June 2018. The note expected to be converted to NIO shares during the Summer of 2020 at approx. 9.14 SEK/share.

Liabilities March 31, 2020 (compared to the same date 2019)

Norrlandsfonden holds 7.1 MSEK worth of convertibles at 5% interest rate per annum (5.1 MSEK).

Short term loan facilities amount to 4.5 MSEK (2.5 MSEK as per the date of this report) at 1.35% interest rate per month (11.3 MSEK).

Sunstone short-term debt 0 MSEK (20 MSEK).

Yorkville Advisors 0 MSEK of convertible notes (18 MSEK).

The potential additional purchase price to Sunstone (as of Closing of the Viscaria transaction March 8, 2019), payable on receipt of environmental permit at Viscaria, of 46m shares and 20 MSEK are treated according to IFRS.

Prospects for the Future

During the first quarter of 2020, the Company focused on core drilling and analysing the environmental requirements in relation to historic mine's permit. In recent years, the company has increased its mineral resource base most significantly. The focus during the upcoming 1-2 years will be to develop these large assets towards a mine reopening in Kiruna, and advancing the Copperstone project further. The core drilling campaign is on a temporary suspension, and expected to restart 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 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 14 years since its inception. The run rate of Copperstone is approx. 1 MSEK 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, despite covid-19 turmoil, could 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

Mining and exploration assets in Avalon Minerals Viscaria AB amounts to 299.2 MSEK and Copperstone to 58.9 MSEK.

The number of outstanding shares in Copperstone by the end of the first quarter 2020 increased to 589 431 305 (414.159.316).

(1) Group

Net revenue for the period was 0 (0) KSEK and loss before taxes amounted to -1 674 (-1 953) KSEK. Earnings after tax per share were 0,00 (-0.01) SEK.

Total assets at the end of the period was 333 101 (312 421) KSEK and the bank balance was 10 717 (6 914) KSEK. The closing balance of cumulative capitalised expenditure for exploration amounted to 311 040 (289 029) KSEK.

Investment

The Company has increased field activities, in particular by core drillings, employed an Exploration Manager, and strengthened the organisation while keeping cost consciousness.

Investment in intangible assets during the period amounted to 7,764 (1 078) KSEK. Investment in intangible assets is related to the above-mentioned exploration and project development.

The cash flow during the period was -8 381 (5 529) KSEK, primarily derived from the exploration investments of 7,764 KSEK.

(2) Parent company

Net revenue for the period was 0 (0) KSEK and loss before taxes amounted to -1 684 (-1 937) KSEK.

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.

No COVID-19 adverse effects have been noticed to date for Copperstone, run rate is not expected to increase as previously expected and the funding process has been smoother than normal, perhaps the long-term investors consider Copperstone as a future producer of sustainable precious and base metals could in fact be in favour of the import that is required to the European Union as of today. There is however 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 2019.

Financial Calendar

August 20, 2020 Half-year Report 2020

November 20, 2020 Business Review Q3 2020

February 19, 2021 Year-end Report 2020

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 20, 2020

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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