



Kiruna August 20, 2020

COPPERSTONE RESOURCES AB: INTERIM QUARTERLY REPORT (Q2 2020) APRIL TO JUNE 2020

Copperstone Resources AB ("Copperstone" or "the Company") is pleased to announce the Financial results for the Group for April 1 to June 30 2020:

- Result of the period amounted to -391 (-4,722) KSEK. The quarter has been characterized by significant in-the-ground investments at Viscaria Copper Project, and has furthermore been positively affected by the mark-to-market of the potential future payment to Sunstone (long-term liability decreased by 7.73 MSEK) and adversely affected by the NIO convertible being converted to shares (-5.95 MSEK)
- Earnings after tax per share were 0.00 (-0.01) SEK
- The cash flow during the period was 8,566 (-429) KSEK
- The assets of capitalized expenditure for exploration amounted to 316,500 (289,670) KSEK
- The liquidity at the end of the period was 19,283 (6,485) KSEK

Financial results for the Group for Year to date as of June 30 2020:

- Result of the period amounted to -2,065 (-6,675) KSEK
- Result of the period per share was 0.00 (-0.02) SEK
- Total assets at the end of the period was 340,308 (306,053) KSEK
- The cash flow during the period was 185 (5,100) KSEK

Significant events during the period:

- New Board of Directors; Jörgen Olsson appointed new Chairman.
- Record high copper grades during exploration at the Viscaria D-zone; VDD0213 intersected 4.6m at 5.3% copper incl. 0.6m at 20.1% copper.
- Copperstone recruited the well-acclaimed Anders Lundkvist as Head of Environment and Sustainability.
- Directed share issue of 24 MSEK in cash successfully completed in an accelerated book-building.
- Norrlandsfonden invests another 2 MSEK in Copperstone.

Significant events after the period:

- Copperstone contracted Kati Oy and Arctic Drilling Company to diamond drill at Viscaria, Kiruna, both contractors of which have commenced the shallow infill drillings at the A and B zones.
- Copperstone recruited merited Anna Tyni as Site Manager for Viscaria.

"Copperstone's already large consolidated mineral resources base is now also most effectively, with a growing team of specialists, put in motion towards our vision of sustainable and responsible green mining. Not only do we feel the momentum in Kiruna, yet also the Arvidsjaur project constitutes very significant value creation potential, thanks to awarded exploitation concessions, a tremendous gold price development since the Eva deposit was discovered in the early 2000's, as well as favourable infrastructure.", comments CEO Michael Mattsson.

The complete Q2 20 report is attached. For further information, please contact Michael Mattsson (CEO) at +46(0)705-739777, or michael.mattsson@copperstone.se or refer to Copperstone webpage: www.copperstone.se
The information was delivered by the above-mentioned contact for publishing August 20, 2020 at 08:15 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 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.



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.

Significant Events during the Q2/2020 period

The following section outlines significant events that have taken place from April 1, 2020 up to and including June 30, 2020.

At the AGM, re-election of Michael Mattsson, Malcolm Norris, Sven Erik Bucht and Gregory Hall as Directors. Jörgen Olsson, Jane Lundgren Ericsson and Erik Israelsson were elected as new directors. Jörgen Olsson was appointed Chairman at the constitutional Board meeting, following the AGM.

Copperstone resolved on a directed share issues of totally 45,133,286 B-shares, equal to a total amount of approx. 23.9 MSEK. The Company will use the proceeds for intensified core drillings as well as environmental and tailings studies at Viscaria, Kiruna; and conduct geophysical as well as further exploration work at the Arvidsjaur project.

Copperstone recruited the well-acclaimed Anders Lundkvist as Head of Environment and Sustainability. Anders Lundkvist has most recently worked as senior environmental consultant for international and Swedish mining companies. Before that, as Director of Environment and Energy at Swedish Mining association (SveMin) and Head of Environment Department at LKAB. Anders Lundkvist will be responsible for the strategically important work to intensify the process with environmental permit which must be in place before the reopening of the Viscaria mine in Kiruna.

Copperstone reported record high copper grades during exploration at the Viscaria D-zone; VDD0213 intersected 4.6m at 5.3% copper incl. 0.6m at 20.1% copper. The total drill campaign covered almost 8,000 meters out of the planned 22,000 meters pre-mine drillings. The overall results demonstrate significant intersections of copper in ironstone inside as well as outside the mineral resource boundary. The Company is working on a mineral resource inventory upgrade. The Viscaria project, prior to the 7,945 meters of Copperstone core drillings, already contained 52 mton with 1.2 percent copper, according to the JORC 2012 code, or approx. 609,000 tons of copper of measured, indicated and inferred classes (see [www.copperstone.se / Projects / Viscaria Copper Project](http://www.copperstone.se/Projects/Viscaria%20Copper%20Project)). The copper grade corresponds to twice the global average and more than four times the copper grade of the largest copper mine in Europe.

Norrlandsfonden invested another 2 MSEK in Copperstone via a convertible debenture with eight years to maturity at Stibor 90 + 5 % annual interest. At full conversion of this convertible debenture, Norrlandsfonden would receive 2,702,702 class B-shares, corresponding to a dilution of 0.4%.

Significant Events after the Q2/2020 period:

Copperstone has, in addition to the drilling contract with Kati Oy ("Kati"), now also signed well-renowned Arctic Drilling Company ("ADC") as drill contractor at the Viscaria Copper Project for the remainder of 2020. The Kati contract is comprising the already completed ~8,000 metres, with the intention of increasing to a total of 22,000 metres over 24 months.

Copperstone recruited merited Anna Tyni as Site Manager for the Viscaria-project in Kiruna. Anna Tyni has 20 years of experience from a number of leading positions within LKAB, primarily in production and logistics. As Site Manager she will have staff liability for the team in Kiruna as well as overall responsibility for the preparations for the reopening of the Viscaria mine.

The Copperstone Board and Yorkville Global Advisors Ltd have mutually agreed to terminate the convertible facility agreement in advance. Tranche 1 (22.5 MSEK of cash out of 100 MSEK facility) from Yorkville was utilized in combination with Copperstone's successful acquisition of the Viscaria Copper Project. Since, Copperstone has found other avenues to secure working capital and will not draw any more tranches.

Staff and Office Management

Staff and Office Management / Organisation Under the Corporate Management of CEO Michael Mattsson based out of the Stockholm region, Exploration Manager Jari Juurela located in Kiruna and Project Geologist Maurice Zongo in Kiruna and Malå/Arvidsjaur. Anders Lundkvist has been recruited as Head of Environment and Sustainability. As from October 1, 2020, Anna Tyni will join as Site Manager in Kiruna. Management is further advised by the Technical committee of the Board of Directors and by Geovista within technical matters. 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). 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.

Mineral Resources

In the table set forth below, find the Copperstone Group Mineral Resources Table is the presented. The Company is currently working on the Mineral Resource Upgrade on the Viscaria D-zone subsequent to phase 1 drillings of 7,945 meters (A, B D zones). Upgrade on the Viscaria A and B zones to follow subsequent to the infill drillings that have now commenced together with Kati and ADC.

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%). 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 2019:

- Avalon Minerals Viscaria AB (“Viscaria”)
- Argo AB
- Kopparberg Mineral Exploration AB
- Copperstone Skellefteå AB

Exploitation Concessions and Exploration Permits

According to the Mineral Rights Register (MRR) of the Mining Inspectorate of Sweden (Sw: Mineralrättsregistret Bergsstaten), the following permits and concessions are 100% owned by Copperstone Resources AB as at August 10, 2020.

The following information is noteworthy regarding the Permits portfolio up and until the date of this report:

- Copperstone’s subsidiary Viscaria has applied for an extension of three years regarding exploration permit Viscaria East (June 2020).
- Copperstone’s subsidiary Viscaria has applied for an extension of three years regarding exploration permit Viscaria 1 (June 2020).
- Following the Swedish Government’s amendment of the Swedish Mineral’s Act due to covid-19 (with effect as from July 1, 2020), the Southern extension of the D-zone (exploration permit Viscaria nr 107), according to Chapter 2, Section 7, Paragraph 2, has been awarded an automatic extension of one additional year from August 10, 2021 to August 10, 2022 (July 2020).

APPROVED EXPLOITATION CONCESSIONS										
NAME	DIARYNR	AREA	APPL_DATE	DEC_DATE	VALIDFROM	VALIDTO	MINERAL	MUNICIPAL	OWNERS (100%)	
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	ARVIDSIAUR	Copperstone Resources AB	
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	
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	
Tvåstbognuvan K nr 1	2010000697	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	
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	ARVIDSIAUR	Copperstone Resources AB	
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	
VALID EXPLORATION PERMIT 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
Viscaria nr 112**)	2011:197	2011000457	2254,38	2011-04-07		2011-12-05	2019-12-05	copper	KIRUNA	Avalon Minerals Viscaria AB
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
Viscaria East	2017:93	2017000170	211,94	2017-02-24		2017-06-09	2020-06-09	copper	KIRUNA	Avalon Minerals Viscaria AB
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
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
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
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
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
Sandberget nr 500	2019:17	2018000891	7640,97	2018-09-28	2019-02-11	2019-02-11	2022-02-11	gold, copper, silver, zinc	ARVIDSIAUR	Copperstone Resources AB
Sandberget nr 400	2019:16	2018000890	535,56	2018-09-28	2019-02-11	2019-02-11	2022-02-11	gold, copper, silver, zinc	ARVIDSIAUR	Copperstone Resources AB
Sandberget nr 300	2012:139	2012000801	18,7044	2012-06-27	2018-11-29	2012-10-03	2022-10-03	gold, copper, silver, zinc	ARVIDSIAUR	Copperstone Resources AB
Sandberget nr 200	2012:138	2012000797	19,188	2012-06-27	2018-11-29	2012-10-03	2022-10-03	gold, copper, silver, zinc	ARVIDSIAUR	Copperstone Resources AB
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
		Total [ha]:	19974,02			TOTAL APPROVED				
APPLIED EXPLORATION PERMIT LICENCES										
NAME	LICENCEID	DIARYNR	AREA	APPL_DATE	DEC_DATE	VALIDFROM	VALIDTO	MINERAL	MUNICIPAL	OWNERS (100%)
Viscaria nr 112	2011:197	2019001271	2254,38	2019-12-05		2011-12-05	2019-12-05	copper	KIRUNA	Avalon Minerals Viscaria AB
Yhteinenjärvi nr 1	2015:8	202000070	963,26	2020-01-21		2015-01-22	2020-01-22	copper, gold, iron	KIRUNA	Avalon Minerals Viscaria AB
Viscaria East	2017:93	2020000634	211,94	2020-06-05		2017-06-09	2020-06-09	copper	KIRUNA	Avalon Minerals Viscaria AB
Viscaria nr 1	2008:119	2020000687	818,71	2020-06-22		2008-06-24	2020-06-24	copper	KIRUNA	Avalon Minerals Viscaria AB
		Total [ha]:	4248,29			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, application upgraded to also cover copper and gold.										

Assets as per June 30, 2020 (versus June 30, 2019)

Cash at hand amounted to **19.3 MSEK** (6.5 MSEK).

Capitalized Mining and Exploration assets of **316.5 MSEK** (289.7 MSEK).

Nordic Iron Ore AB ("NIO"): Copperstone at the end of the period as well as per the date of this report holds 969,186 shares of NIO (valued at approx. **2.3 MSEK** or 3.10% of the capital and votes cast of NIO), subsequent to a non-cash issue against the outstanding convertible loans including accrued interest. 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.nordicironore.se.

Share capital as per June 30, 2020

As per June 30, 2020 the number of shares in issue was 641,275,703 (share capital 64,127,570.3 SEK). The largest holders to the Company's best knowledge, are:

Shareholder June 30, 2020 (if else not stated)	Number of shares	Ownership
Sunstone Metals Ltd	160 000 000	25,0%
Avanza Pension	35 906 723	5,6%
Michael Mattsson*	20 000 002	3,1%
JOHECO AB**	18 772 563	2,9%
Björn Israelsson	13 600 000	2,1%
Emanuel Lipschütz (incl Spiky Investments AB)	12 000 000	1,9%
Ozoneair AB	11 320 755	1,8%
Per-Olof Bucht	10 000 000	1,6%
Allanova AB	9 433 962	1,5%
Anders Larsson	8 000 000	1,2%
Others	342 241 698	53,4%
Total	641 275 703	100,0%

* As per July 1, 2020, including 5.500.000 Loan shares and insurance.

** As per July 1, 2020.

Liabilities as per June 30, 2020 (versus June 30, 2019)

Short-term bridge loan facilities **0 MSEK** (12.3 MSEK).

Yorkville Advisors **0 MSEK** (16.5 MSEK).

Sunstone Metals Ltd short-term liability. **0 MSEK** (20 MSEK).

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

Norrlandsfonden has granted another **2 MSEK** to Copperstone, of which Copperstone as per the date of this report has not utilized. For more information please refer to the Company's Annual Report 2019.

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.

Following the covid-19 virus, the Swedish tax authority has granted Copperstone a deferral (max 12 months) of **0.7 MSEK** (0 MSEK) referring to labour taxes, at 1.25% interest.

Closely-related party transactions

During the second quarter of 2020, no significant transactions with closely-related parties have taken place.

Prospects for the Future

During the second quarter of 2020, the Company improved the financial position by almost 24 MSEK, in connection with a directed issue. In addition, Norrlandsfonden has granted another 2 MSEK, still not utilized. Copperstone's phase 1 drilling campaign on the Viscaria property of almost 8,000 m has been successfully completed. 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 the re-opening of a copper mine at Viscaria, and advancing the Arvidsjaur project further.

The Company cannot guarantee that any mine in Kiruna or Arvidsjaur will be opened, and in what time frame, or any economic outcome in the future. Despite these risks, the Board is confident that advances are being made, and that the prospect for successful mine re-opening at Viscaria 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 global covid-19 situation has not adversely affected Copperstone to date, on the contrary responsible, local and sustainable copper production is expected to be demanded in the paradigm shift from the fossil fuel-based society to the electrical.

The Company has been financed by primarily equity during the latest 14 years. The run rate of Copperstone is around 1,400 KSEK 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.

Accounting Principles

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 Interim 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 2019.

Capitalized expenditure for exploration in intangible assets affects operating revenue with the same amount as costs.

Financial Results Group

Q2 20 Half-Year Report

The Q2 20 Half-year Report herein summarizes all significant events during the period from April 1, 2020 up to and including June 30, 2020. This report also contains the updated financial reports for the Company and all subsidiary Companies (the Group) for the H1 20 period from January 1, 2020 until June 30, 2020.

(1) April to June 2020

Net sales for the period was 0 (0) KSEK and result of the period amounted to -391 (-4,722) KSEK. Earnings after tax per share were 0.00 (-0.01) SEK.

The closing balance of cumulative capitalized expenditure for exploration amounted to 316,500 (289,670) KSEK. Total assets at the end of the period was 340,308 (306,053) KSEK.

The cash flow during the period was 8,566 (-429) KSEK. The cash flow from operations were -4,162 (-5,917), investments were -5,534 (4,488) KSEK and financing during period were 18,262 (1,000) KSEK. The liquidity at the end of the period was 19,283 (6,485) KSEK.

(2) January to June 2020

Net sales for the period was 0 (0) KSEK and result of the period amounted to -2,065 (-6,675) KSEK. Earnings after tax per share were 0.00 (-0.02) SEK.

The closing balance of cumulative capitalized expenditure for exploration amounted to 316,500 (289,670) KSEK. Total assets at the end of the period was 340,308 (306,053) KSEK.

The cash flow during the period was 185 (5,100) KSEK. The cash flow from operations were -7,041 (-11,393), investments were -13,136 (-15,807) KSEK and financing during period were 20,362 (32,300) KSEK. The liquidity at the end of the period was 19,283 (6,485) KSEK.

Financial results Parent company

(1) April - June 2020

Net sales for the period was 0 (0) KSEK and loss before taxes amounted to -270 (-4,388) KSEK.

During the period, the capitalized expenditure for exploration amounted to 476 (799) KSEK. Total operating expenses of 4,514 (4,113) KSEK. Investment in intangible assets is related to exploration and project development.

(2) January to June 2020

Net sales for the period was 0 (0) KSEK and result before taxes amounted to -1,954 (-6,325) KSEK.

During the period, the capitalized expenditure for exploration this amounted to 656 (1,858) KSEK. Total operating expenses of 7,029 (7,559) KSEK. Investment in intangible assets is related to exploration and project development.

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 2019.

Annual General Meeting

The Annual General Meeting ("AGM") of the Company was held on May 20th 2020 at Convendum, Regeringsgatan, Stockholm. Major resolutions included: The Board of Directors contains seven members – Jörgen Olsson Chairman); Michael Mattsson (CEO); Malcolm Norris, Sven-Erik Bucht, Jane Lundgren Eriksson, Gregory Hall and Erik Israelsson; No dividend to be paid out regarding the financial year 2019; incentive program of maximum 16,250,000 warrants and bonus scheme of maximum 5,000,000 warrants. As per the date of this report, a total of 10,650,000 warrants in the incentive program have been subscribed for. For the complete Copperstone warrants program please refer to our webpage www.copperstone.se

Upcoming Statutory Reports

November 20, 2020 - Third quarterly report 2020.

February 19, 2021 - Year-end Report 2020.

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.

Kiruna, August 20, 2020

The Board of Directors

Questions are answered by: Michael Mattsson, CEO Copperstone Resources AB Svärdvägen 21, 182 33 Danderyd. Mobile: +46(0)705-739777

Email: michael.mattsson@copperstone.se

Certified Advisor Augment Partners AB Birger Jarlsgatan 2, 5th Floor SE-114 34 Stockholm Phone: +46(0)8-505 65 172

INCOME STATEMENT – GROUP (KSEK)

	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
	2020	2019	2020	2019	2019
	3 mån	3 mån	6 mån	6 mån	12 mån
Operating Revenue					
Net sales	-	-	-	-	-
Capitalized expenditure for exploration	5 460	798	13 224	1 858	10 334
Other operating revenue	2 031	-	2 799	-	-
Total operating revenue	7 491	798	16 023	1 858	10 334
Operating expenses					
Other external costs	-7 318	-2 675	-15 919	-4 640	-17 373
Wages, salaries and other personnel costs	-2 201	-1521	-3 578	-2905	-3604
Depreciation of intangible and tangible assets	-107	-246	-213	-349	-1341
Other operating expenses	-	-	-	-	-
Total operating expenses	-9 626	-4 442	-19 710	-7 894	-22 318
Operating profit/loss	-2 135	-3 644	-3 687	-6 036	-11 984
Financial items					
Financial income	7 841	50	7 940	713	883
Financial expenses	-6 097	-1128	-6 318	-1352	-3451
Net financial items	1 744	-1 078	1622	-639	-2 568
Net loss before tax	-391	-4 722	-2 065	-6 675	-14 552
Result of the period	-391	-4 722	-2 065	-6 675	-14 552
Other comprehensive income					
Total	-391	-4 722	-2 065	-6 675	-14 552
Attributable to:					
Parent company shareholders	-391	-4 722	-2 065	-6 675	-14 552
Total	-391	-4 722	-2 065	-6 675	-14 552
Number of shares					
Number of shares at the end of the period	641.275.703	418.656.170	641.275.703	418.656.170	555.561.305
Average number of shares	613.275.158	416.495.444	579.951.858	348.185.405	425.928.981
Result per share, SEK	0,00	-0,01	-0,02	-0,02	-0,02

BALANCE SHEETS – GROUP (KSEK)

	30-jun-20	30-jun-19	31-dec-19
Assets			
Fixed assets			
<i>Intangible assets</i>			
Capitalized expenditure for exploration	316 500	289 670	303 438
Total intangible assets	316 500	289 670	303 438
<i>Tangible assets</i>			
Right of use assets	388	401	395
Equipment, tools, fixtures and fittings	572	727	521
Total tangible assets	960	1 128	916
<i>Financial assets</i>			
Available-for-sale financial assets	2 377	232	254
Other long-term receivables	73	7 258	73
Total financial assets	2 450	7 490	327
Total fixed assets	319 910	298 288	304 681
Current assets			
<i>Receivables</i>			
Tax receivables	-	403	88
Other receivables	942	608	9 167
Prepaid expenses and accrued income	173	269	257
Total receivables	1 115	1 280	9 512
Cash and bank balance	19 283	6 485	19 098
Total current assets	20 398	7 765	28 610
TOTAL ASSETS	340 308	306 053	333 291
EQUITY AND LIABILITIES			
Shareholders equity			
Share capital	64 128	41 866	55 556
Unregistred capital	-	-	3 337
Other contributed capital	325 341	249 512	306 060
Loss brought forward included loss for the period	-101 860	-93 011	-100 636
Total shareholders equity	287 609	198 367	264 317
Deferred tax	-	37	-
Long-term liabilities	47 756	90 317	53 484
<i>Current liabilities</i>			
Loan	-	12 300	7 000
Accounts payable	1 451	725	5 449
Other liabilities	2 012	979	721
Accrued expenses and deferred income	1 480	3 328	2 320
Total current liabilities	4 943	17 332	15 490
TOTAL EQUITY AND LIABILITIES	340 308	306 053	333 291

STATEMENT OF CHANGES IN EQUITY – GROUP (KSEK)

	Share capital	Unregistered capital	Contributed capital	Retained earnings	Total equity
Opening balance 1/1/2020	55 556	3 337	306 060	-100 636	264 317
New capital issue	8 572	-3 337	21 286		26 521
New capital issue costs			-2 005		-2 005
Warrants				841	841
Total result of the period				-2 065	-2 065
Closing balance 30/6/2020	64 128	0	325 341	-101 860	287 609

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	17 006		129 894	36	146 936
New capital issue costs			-7 306		-7 306
Total result of the period				-6 675	-6 675
Closing balance 30/6/2019	41 866	0	249 512	-93 011	198 367

CASH FLOW STATEMENT- GROUP (KSEK)

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
	3 mån	3 mån	6 mån	6 mån	12 mån
LIQUIDITY GENERATED FROM/ USED ON OPERATION					
Generated from this periods operations	-2 796	-3 116	-4 843	-6 018	-11 518
Change in working capital	-1 366	-2 802	-2 198	-5 376	-3 276
Cash generated from operations	-4 162	-5 917	-7 041	-11 393	-14 794
LIQUIDITY GENERATED FROM/ USED ON INVESTMENTS					
Investments in intangible assets	-5 460	-781	-13 062	-1 858	-6 200
Investments in tangible assets	-117	-	-117	-	-
Sales of tangible assets	43	-	43	-	-
Investments in financial assets	-	-	-	-20 000	-26 100
Sales of financial assets	-	5 269	-	6 051	6 051
Net change in liquidity from investments	-5 534	4 488	-13 136	-15 807	-26 249
LIQUIDITY GENERATED FROM/ USED ON FINANCING					
New capital issue	22 762	-	25 362	-	44 879
Loans	-	1 000	2 000	32 300	34 800
Amortisation of loans	-4 500	-	-7 000	-	-20 923
Net change in liquidity from financing	18 262	1 000	20 362	32 300	58 756
Net change in liquidity through the period	8 566	-429	185	5 100	17 713
Liquidity opening balance period	10 717	6 914	19 098	1 385	1 385
LIQUIDITY CLOSING BALANCE PERIOD	19 283	6 485	19 283	6 485	19 098

INCOME STATEMENT – PARENT COMPANY (KSEK)

	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
	2020	2019	2020	2019	2019
	3 mån	3 mån	6 mån	6 mån	12 mån
Operating Revenue					
Net sales	-	-	-	-	-
Capitalized expenditure for exploration	476	799	656	1 858	429
Other operating revenue	2 016	-	2 783	-	-
Total operating revenue	2 492	799	3 439	1 858	429
Operating expenses					
Other operating expenses	-2 298	-2 578	-3 422	-4 625	-7 200
Wages, salaries and other personnel costs	-2 201	-1 521	-3 578	-2 905	-3 604
Depreciation of intangible and tangible assets	-15	-14	-29	-29	-58
Other operating expenses	-	-	-	-	-
Total operating expenses	-4 514	-4 113	-7 029	-7 559	-10 862
Operating profit/loss	-2 022	-3 314	-3 590	-5 701	-10 433
Financial items					
Results from participation in associated companies	-	-	-	-	-2 739
Results from others securities and receivables from fixed assets	-	-3 593	-	-3 458	-
Other interested income and similar profit/loss items	7 842	3 543	7 940	4 071	783
Interest expense and similar profit/loss items	-6 090	-1 024	-6 304	-1 237	-3 322
Net financial items	1 752	-1 074	1 636	-624	-5 278
Result before tax	-270	-4 388	-1 954	-6 325	-15 711
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	-270	-4 388	-1 954	-6 325	-15 711
Attributable to:					
Parent company shareholders	-270	-4 388	-1 954	-6 325	-15 711
Total	-270	-4 388	-1 954	-6 325	-15 711

BALANCE SHEETS – PARENT COMPANY (KSEK)	30-jun-20	30-jun-19	31-dec-19
Assets			
Fixed assets			
<i>Intangible assets</i>			
Capitalized expenditure for exploration	59 350	60 123	58 694
Total intangible assets	59 350	60 123	58 694
<i>Tangible assets</i>			
Equipment, tools, fixtures and fittings	221	199	170
Total tangible assets	221	199	170
Financial assets			
Participations in group companies	248 890	242 895	248 890
Other securities held as fixed assets	2 377	232	254
Other long-term receivables	48	7 233	48
Total financial assets	251 315	250 360	249 192
Total fixed assets	310 886	310 682	308 056
Current assets			
<i>Receivables</i>			
Receivables from group companies	25 021	1 505	11 720
Tax receivables	-	403	88
Other receivables	179	3 187	9 089
Prepaid expenses and accrued income	154	155	201
Total receivables	25 354	5 250	21 098
Cash and bank balance	18 014	6 184	18 970
Total current assets	43 368	11 434	40 068
TOTAL ASSETS	354 254	322 116	348 124
EQUITY AND LIABILITIES			
Shareholders equity			
<i>Restricted equity</i>			
Share capital	64 128	41 866	55 556
Unregistered capital	-	-	3 337
Fund for development reserve	40 218	41 017	39 588
Total restricted equity	104 346	82 883	98 481
<i>Non-restricted equity</i>			
Share premium account	318 692	242 863	299 411
Loss brought forward	-133 410	-118 750	-117 069
Result for the year	-1 954	-6 325	-15 711
Total non-restricted equity	183 328	117 788	166 631
Total shareholders equity	287 674	200 671	265 112
Long-term liabilities	47 756	90 317	53 484
Current liabilities			
Loans	-	12 300	7 000
Accounts payable	1 199	543	5 358
Liabilities to group companies	14 569	14 569	14 569
Other liabilities	1 636	462	363
Accrued expenses and deferred income	1 420	3 254	2 238
Total current liabilities	18 824	31 128	29 528
TOTAL EQUITY AND LIABILITIES	354 254	322 116	348 124