

# Copperstone Resources

## Additional funding secured going into 2021

- Rights issue 1.6x oversubscribed
- Strong Cu price development of +17.5% YTD
- Fair value range of SEK 0.7-2.3 per share

### Rights issue of SEK 170m completed – 1.6x oversubscribed

We expect Copperstone to report Q4'20 net sales of SEK 0m, EBIT of SEK -2m and net profit of SEK -10m. In Q4'20, Copperstone announced a rights issue to secure further financing. The response was positive, and the rights issue ended up 1.6x oversubscribed. As a result, SEK 170m was raised during Q1'21 and an extraordinary expense related to the rights issue amounting to SEK 7m will occur in Q1'21. The additional financing is a step in the right direction, and will be used to finance working capital needs for the coming 18-24 months and prepayment of the additional purchase price to Sunstone Metals of SEK 26m. The plan to obtain the environmental permit is expected to remain unchanged, with the aim to submit a permit application in H2'21.

### Mineral value increase from strong Cu price

At the current Cu price of USD 9,098/tonne (+17.5% YTD), the value of Copperstone's measured, indicated, and inferred Cu resources amounts to SEK 61.6bn (+11% vs. SEK 55.5bn as of previous research update). We continue to expect a solid long-term outlook for copper demand due to its usage in products such as batteries and wind turbines. Overall, we keep our '20e estimates unchanged but due the extraordinary expense that will occur in Q1'21 we lower our '21e EBIT estimates from SEK -7m to SEK -14m.

### Revised fair value of SEK 0.7-2.3 per share due to dilution

Despite taking a further step towards production by securing additional financing, several hurdles remain before production commences, which we still expect to occur in '24. Due to the rights issue causing significant dilution (c. 53% increase in outstanding shares) and adjustments made to SOTP valuation weights, we derive a fair value range of SEK 0.7-2.3 (1.1-2.8) per share. Finally, we argue that the company's strong portfolio of mineral assets and a solid outlook for the Cu price leaves the long-term case unchanged.

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| SEKm                | 2018   | 2019     | 2020e | 2021e | 2022e |
|---------------------|--------|----------|-------|-------|-------|
| Sales               | 0      | 0        | 0     | 0     | 0     |
| EBITDA              | -5     | -11      | -8    | -14   | -8    |
| EBITDA margin (%)   | nm     | nm       | nm    | nm    | nm    |
| EBIT adj            | -5     | -12      | -8    | -7    | -8    |
| EBIT adj margin (%) | nm     | nm       | nm    | nm    | nm    |
| Pretax profit       | -0     | -15      | -20   | -37   | -51   |
| EPS rep             | -0.00  | -0.03    | -0.03 | -0.04 | -0.05 |
| EPS adj             | -0.00  | -0.03    | -0.03 | -0.03 | -0.05 |
| Sales growth (%)    | -100.0 | na       | na    | na    | na    |
| EPS growth (%)      | 94.9   | -1,343.2 | -17.5 | -25.2 | -30.8 |

Source: ABG Sundal Collier, Company data

Reason: Preview of results

## Company sponsored research

Not rated

Estimate changes (%)

|            | 2020e | 2021e  | 2022e |
|------------|-------|--------|-------|
| Sales      | 0.0%  | 0.0%   | 0.0%  |
| EBIT (rep) | 0.0%  | 102.9% | 0.0%  |
| EPS (rep)  | nm    | nm     | nm    |

Source: ABG Sundal Collier

|                              |            |         |
|------------------------------|------------|---------|
| Share price (SEK)            | 24/03/2021 | 0.8     |
| Fair value range (per share) |            | 0.7-2.3 |

Metals & Mining, Sweden  
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|                 |     |
|-----------------|-----|
| MCap (SEKm)     | 786 |
| MCap (EURm)     | 77  |
| Net debt (EURm) | 6   |

|                      |     |
|----------------------|-----|
| No. of shares (m)    | 983 |
| Free float (%)       | 73  |
| Av. daily volume (k) | 23  |

Next event Q4 report: 29 Mar

## Performance



|              | 1m  | 3m  | 12m   |
|--------------|-----|-----|-------|
| Absolute (%) | 1.3 | 0.1 | 105.4 |

Source: FactSet

|                        | 2020e | 2021e  | 2022e  |
|------------------------|-------|--------|--------|
| P/E (x)                | -25.3 | -20.2  | -15.4  |
| P/E adj (x)            | -25.3 | -24.9  | -15.4  |
| P/BVPS (x)             | 1.90  | 1.95   | 2.23   |
| EV/EBITDA (x)          | -76.2 | -53.2  | -142.0 |
| EV/EBIT adj (x)        | -73.9 | -107.9 | -142.0 |
| EV/sales (x)           | nm    | nm     | nm     |
| ROE adj (%)            | -7.3  | -9.0   | -13.5  |
| Dividend yield (%)     | 0     | 0      | 0      |
| FCF yield (%)          | -8.2  | -7.5   | -42.6  |
| Lease adj. FCF yld (%) | -8.2  | -7.5   | -42.6  |
| Net IB debt/EBITDA     | -7.9  | 3.8    | -37.2  |
| Lease adj. ND/EBITDA   | -7.0  | 8.7    | -36.3  |

Please refer to important disclosures at the end of this report

This research product is commissioned and paid for by the company covered in this report. As such, this report is deemed to constitute an acceptable minor non-monetary benefit (i.e. not investment research) as defined in MiFID II.

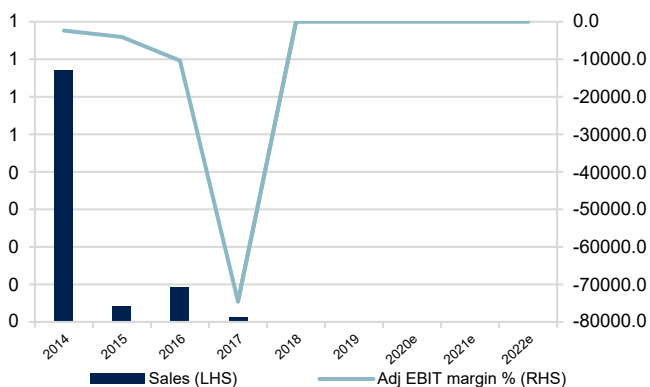
## Company description

Copperstone Resources AB ("Copperstone") is a Swedish mineral exploration company with a focus on base and precious metals. The company has made a copper discovery in Arvidsjaur and acquired the Viscaria copper project in the recognised mining district of Kiruna in northern Sweden, and now targets becoming a metal production company, with the ambition to achieve first production by H2'23. The stock has been listed on the Nasdaq First North Growth Market since 2011, with c. 8,900 shareholders.

## Risks

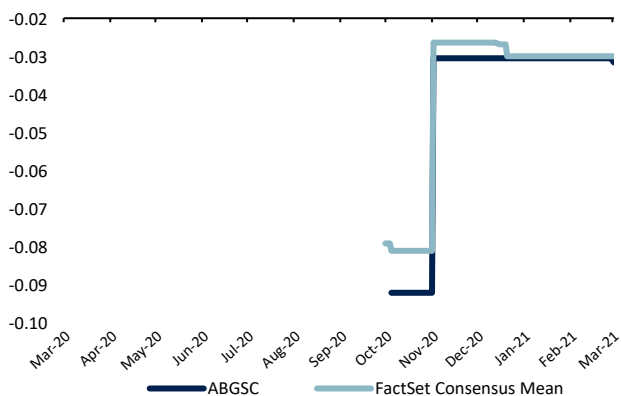
Weaker demand for Cu in the global market. Protracted process of obtaining acceptance from the land- and environmental permit. Higher than expected costs.

### Annual sales and adj. EBIT margin SEKm



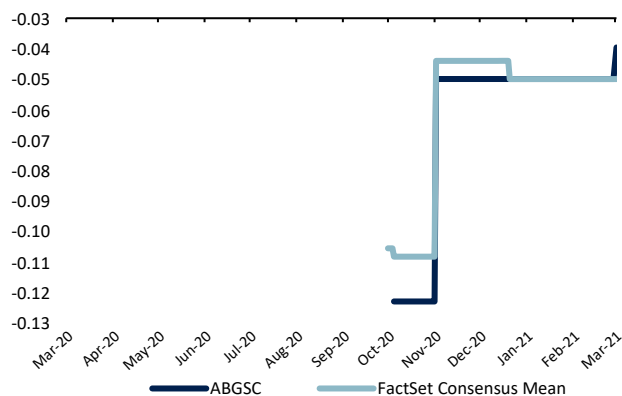
Source: ABG Sundal Collier, Company data

### EPS estimate changes, 2020e, SEK



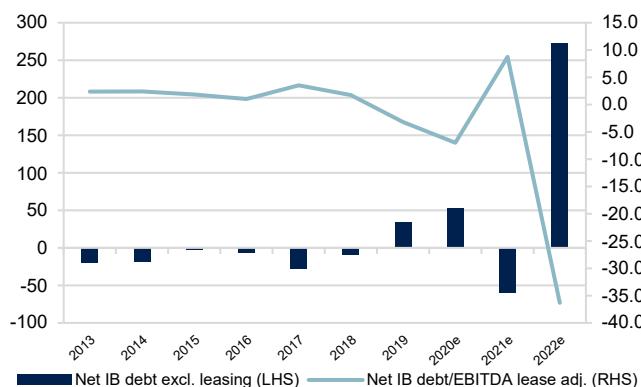
Source: ABG Sundal Collier, FactSet

### EPS estimate changes, 2021e, SEK



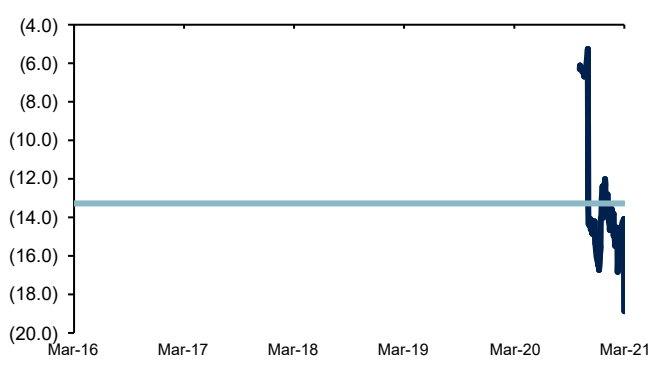
Source: ABG Sundal Collier, FactSet

### Lease adj. net debt and ND/EBITDA



Source: ABG Sundal Collier, Company data

### 12-month forward-looking P/E



Source: ABG Sundal Collier, Company data

## Valuation overview

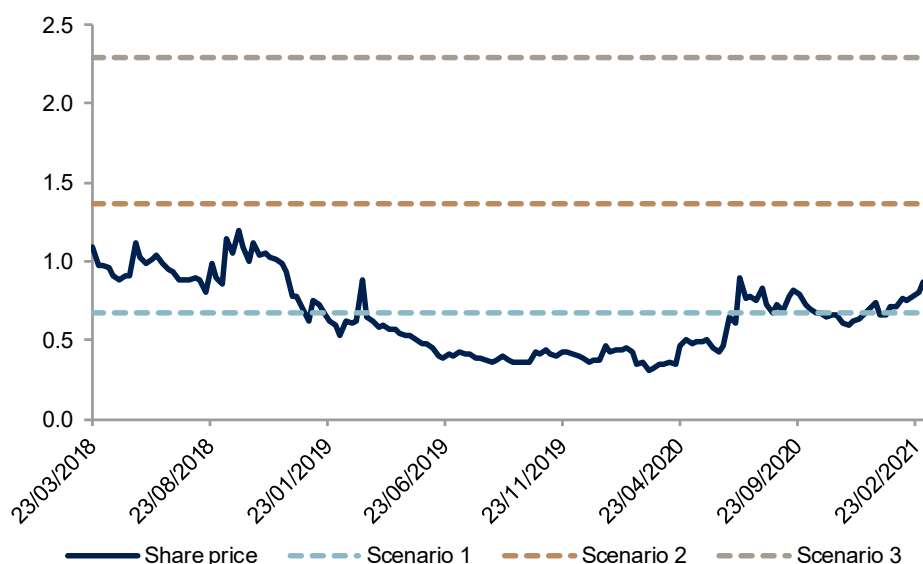
We derive our fair value range from a scenario-based SOTP valuation. We base the value of both Viscaria and EVA on a weighted average of a DCF valuation as well as an EV/mineral value multiple valuation. The DCF valuation applies a 50%, 30% and 20% risk adjustment in scenarios 1, 2 and 3, respectively, whereas the EV/mineral value multiple valuation applies a 75%, 70% and 65% discount to the peer median (0.08x) for Viscaria and an 80%, 70% and 60% discount for EVA. We set the value of both Granliden and Svartliden from an EV/mineral value multiple where a 90% discount to the peer median is applied to each mine. Using this approach, we derive a fair value range for Copperstone of SEK 0.7-2.3 per share.

### SOTP valuation scenarios

| SOTP                    |                  | Scenarios, SEKm |              |              |        | Value per share, SEK |             |             |
|-------------------------|------------------|-----------------|--------------|--------------|--------|----------------------|-------------|-------------|
| Mine                    | Valuation method | 1               | 2            | 3            | Weight | 1                    | 2           | 3           |
| Viscaria                | NPV              | 366             | 887          | 1,536        | 60%    | 0.39                 | 0.94        | 1.63        |
| Viscaria                | EV/Mineral value | 405             | 1,082        | 1,741        | 40%    | 0.43                 | 1.15        | 1.85        |
| EVA                     | NPV              | 138             | 252          | 355          | 60%    | 0.15                 | 0.27        | 0.38        |
| EVA                     | EV/Mineral value | 104             | 207          | 346          | 40%    | 0.11                 | 0.22        | 0.37        |
| Granliden               | EV/Mineral value | 43              | 58           | 72           | 100%   | 0.05                 | 0.06        | 0.08        |
| Svartliden              | EV/Mineral value | 33              | 44           | 55           | 100%   | 0.04                 | 0.05        | 0.06        |
| <b>Enterprise value</b> |                  | <b>583</b>      | <b>1,302</b> | <b>2,097</b> |        | <b>0.62</b>          | <b>1.38</b> | <b>2.23</b> |
| Net debt '21e           |                  | -52             | -52          | -52          |        | -0.06                | -0.06       | -0.06       |
| <b>Equity value</b>     |                  | <b>635</b>      | <b>1,354</b> | <b>2,149</b> |        | <b>0.68</b>          | <b>1.44</b> | <b>2.29</b> |
| <b>Current Mcap</b>     |                  | <b>749</b>      | <b>749</b>   | <b>749</b>   |        | <b>0.80</b>          | <b>0.80</b> | <b>0.80</b> |
| Avg. No. shares (mn)    |                  |                 |              |              |        |                      |             | 940         |
| % vs. Mcap              |                  |                 |              |              |        | -15%                 | 81%         | 187%        |

Source: ABG Sundal Collier estimates

### Fair value range vs. Copperstone share price (SEK per share)



Source: ABG Sundal Collier, FactSet

# Copperstone Resources

| Income Statement (SEKm)             | Q1 2019        | Q2 2019        | Q3 2019        | Q4 2019        | Q1 2020        | Q2 2020        | Q3 2020        | Q4 2020e        |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Sales                               | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               |
| COGS                                | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               |
| Gross profit                        | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               |
| Other operating items               | -2             | -3             | -2             | -3             | -1             | -2             | -2             | -2              |
| <b>EBITDA</b>                       | <b>-2</b>      | <b>-3</b>      | <b>-2</b>      | <b>-3</b>      | <b>-1</b>      | <b>-2</b>      | <b>-2</b>      | <b>-2</b>       |
| Depreciation and amortisation       | -0             | -0             | -1             | -0             | -0             | -0             | -0             | 0               |
| <b>EBITA</b>                        | <b>-2</b>      | <b>-4</b>      | <b>-3</b>      | <b>-3</b>      | <b>-2</b>      | <b>-2</b>      | <b>-2</b>      | <b>-2</b>       |
| EO items                            | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               |
| Impairment and PPA amortisation     | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               |
| <b>EBIT</b>                         | <b>-2</b>      | <b>-4</b>      | <b>-3</b>      | <b>-3</b>      | <b>-2</b>      | <b>-2</b>      | <b>-2</b>      | <b>-2</b>       |
| Net financial items                 | 0              | -1             | -1             | -1             | -0             | 2              | -5             | -8              |
| <b>Pretax profit</b>                | <b>-2</b>      | <b>-5</b>      | <b>-4</b>      | <b>-4</b>      | <b>-2</b>      | <b>-0</b>      | <b>-7</b>      | <b>-10</b>      |
| Tax                                 | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               |
| <b>Net profit</b>                   | <b>-2</b>      | <b>-5</b>      | <b>-4</b>      | <b>-4</b>      | <b>-2</b>      | <b>-0</b>      | <b>-7</b>      | <b>-10</b>      |
| Minority interest                   | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               |
| Net profit discontinued             | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               |
| <b>Net profit to shareholders</b>   | <b>-2</b>      | <b>-5</b>      | <b>-4</b>      | <b>-4</b>      | <b>-2</b>      | <b>-0</b>      | <b>-7</b>      | <b>-10</b>      |
| EPS                                 | -0.01          | -0.01          | -0.01          | -0.01          | -0.00          | -0.00          | -0.01          | -0.02           |
| EPS Adj                             | -0.01          | -0.01          | -0.01          | -0.01          | -0.00          | -0.00          | -0.01          | -0.02           |
| Total extraordinary items after tax | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               |
| Tax rate (%)                        | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0               |
| Gross margin (%)                    | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>       |
| EBITDA margin (%)                   | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>       |
| EBITA margin (%)                    | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>       |
| EBIT margin (%)                     | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>       |
| Pretax margin (%)                   | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>       |
| Net margin (%)                      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>       |
| <b>Growth rates Y/Y</b>             | <b>Q1 2019</b> | <b>Q2 2019</b> | <b>Q3 2019</b> | <b>Q4 2019</b> | <b>Q1 2020</b> | <b>Q2 2020</b> | <b>Q3 2020</b> | <b>Q4 2020e</b> |
| Sales growth (%)                    | <i>na</i>      | <i>na</i>      | <i>na</i>      | <i>na</i>      | <i>na</i>      | <i>na</i>      | <i>na</i>      | <i>na</i>       |
| EBITDA growth (%)                   | <i>-chg</i>    | <i>-chg</i>    | <i>-chg</i>    | <i>-chg</i>    | <i>+chg</i>    | <i>+chg</i>    | <i>+chg</i>    | <i>+chg</i>     |
| EBIT growth (%)                     | <i>-chg</i>    | <i>-chg</i>    | <i>-chg</i>    | <i>-chg</i>    | <i>+chg</i>    | <i>+chg</i>    | <i>+chg</i>    | <i>+chg</i>     |
| Net profit growth (%)               | <i>-chg</i>    | <i>-chg</i>    | <i>-chg</i>    | <i>+chg</i>    | <i>+chg</i>    | <i>+chg</i>    | <i>-chg</i>    | <i>-chg</i>     |
| EPS growth (%)                      | <i>-chg</i>    | <i>-chg</i>    | <i>-chg</i>    | <i>+chg</i>    | <i>+chg</i>    | <i>+chg</i>    | <i>-chg</i>    | <i>-chg</i>     |
| <b>Adj earnings numbers</b>         | <b>Q1 2019</b> | <b>Q2 2019</b> | <b>Q3 2019</b> | <b>Q4 2019</b> | <b>Q1 2020</b> | <b>Q2 2020</b> | <b>Q3 2020</b> | <b>Q4 2020e</b> |
| EBITDA Adj                          | -2             | -3             | -2             | -3             | -1             | -2             | -2             | -2              |
| EBITDA Adj margin (%)               | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>       |
| EBITA Adj                           | -2             | -4             | -3             | -3             | -2             | -2             | -2             | -2              |
| EBITA Adj margin (%)                | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>       |
| EBIT Adj                            | -2             | -4             | -3             | -3             | -2             | -2             | -2             | -2              |
| EBIT Adj margin (%)                 | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>       |
| Pretax profit Adj                   | -2             | -5             | -4             | -4             | -2             | -0             | -7             | -10             |
| Net profit Adj                      | -2             | -5             | -4             | -4             | -2             | -0             | -7             | -10             |
| Net profit to shareholders Adj      | -2             | -5             | -4             | -4             | -2             | -0             | -7             | -10             |
| Net Adj margin (%)                  | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>      | <i>nm</i>       |

Source: ABG Sundal Collier, Company data

# Copperstone Resources

| Income Statement (SEKm)             | 2013            | 2014            | 2015            | 2016             | 2017             | 2018          | 2019            | 2020e        | 2021e        | 2022e        |
|-------------------------------------|-----------------|-----------------|-----------------|------------------|------------------|---------------|-----------------|--------------|--------------|--------------|
| Sales                               | 1               | 1               | 0               | 0                | 0                | 0             | 0               | 0            | 0            | 0            |
| COGS                                | 0               | 0               | 0               | 0                | 0                | 0             | 0               | 0            | 0            | 0            |
| Gross profit                        | 1               | 1               | 0               | 0                | 0                | 0             | 0               | 0            | 0            | 0            |
| Other operating items               | -9              | -8              | -1              | -7               | -8               | -5            | -11             | -8           | -14          | -8           |
| <b>EBITDA</b>                       | <b>-8</b>       | <b>-7</b>       | <b>-1</b>       | <b>-7</b>        | <b>-8</b>        | <b>-5</b>     | <b>-11</b>      | <b>-8</b>    | <b>-14</b>   | <b>-8</b>    |
| Depreciation and amortisation       | -2              | -8              | -0              | -3               | -1               | -0            | -1              | -0           | 0            | 0            |
| Of which leasing depreciation       | 0               | 0               | 0               | 0                | 0                | 0             | 0               | 0            | 0            | 0            |
| <b>EBITA</b>                        | <b>-11</b>      | <b>-16</b>      | <b>-2</b>       | <b>-9</b>        | <b>-8</b>        | <b>-5</b>     | <b>-12</b>      | <b>-8</b>    | <b>-14</b>   | <b>-8</b>    |
| EO items                            | 0               | 0               | 0               | 0                | 0                | 0             | 0               | 0            | -7           | 0            |
| Impairment and PPA amortisation     | 0               | 0               | 0               | 0                | 0                | 0             | 0               | 0            | 0            | 0            |
| <b>EBIT</b>                         | <b>-11</b>      | <b>-16</b>      | <b>-2</b>       | <b>-9</b>        | <b>-8</b>        | <b>-5</b>     | <b>-12</b>      | <b>-8</b>    | <b>-14</b>   | <b>-8</b>    |
| Net financial items                 | -0              | -3              | -1              | -4               | 0                | 5             | -3              | -12          | -23          | -43          |
| <b>Pretax profit</b>                | <b>-11</b>      | <b>-19</b>      | <b>-2</b>       | <b>-14</b>       | <b>-8</b>        | <b>-0</b>     | <b>-15</b>      | <b>-20</b>   | <b>-37</b>   | <b>-51</b>   |
| Tax                                 | 0               | 0               | 0               | 0                | 0                | 0             | 0               | 0            | 0            | 0            |
| <b>Net profit</b>                   | <b>-11</b>      | <b>-19</b>      | <b>-2</b>       | <b>-14</b>       | <b>-8</b>        | <b>-0</b>     | <b>-15</b>      | <b>-20</b>   | <b>-37</b>   | <b>-51</b>   |
| Minority interest                   | 0               | 0               | 0               | 0                | 0                | 0             | 0               | 0            | 0            | 0            |
| Net profit discontinued             | 0               | 0               | 0               | 0                | 0                | 0             | 0               | 0            | 0            | 0            |
| <b>Net profit to shareholders</b>   | <b>-11</b>      | <b>-19</b>      | <b>-2</b>       | <b>-14</b>       | <b>-8</b>        | <b>-0</b>     | <b>-15</b>      | <b>-20</b>   | <b>-37</b>   | <b>-51</b>   |
| EPS                                 | -0.29           | -0.41           | -0.03           | -0.12            | -0.04            | -0.00         | -0.03           | -0.03        | -0.04        | -0.05        |
| <i>EPS Adj</i>                      | <i>-0.29</i>    | <i>-0.41</i>    | <i>-0.03</i>    | <i>-0.12</i>     | <i>-0.04</i>     | <i>-0.00</i>  | <i>-0.03</i>    | <i>-0.03</i> | <i>-0.03</i> | <i>-0.05</i> |
| Total extraordinary items after tax | 0               | 0               | 0               | 0                | 0                | 0             | 0               | 0            | -7           | 0            |
| Leasing payments                    | 0               | 0               | 0               | 0                | 0                | 0             | 0               | 0            | 0            | 0            |
| <i>Tax rate (%)</i>                 | <i>0</i>        | <i>0</i>        | <i>0</i>        | <i>0</i>         | <i>0</i>         | <i>0</i>      | <i>0</i>        | <i>0</i>     | <i>0</i>     | <i>0</i>     |
| <i>Gross margin (%)</i>             | <i>100.0</i>    | <i>100.0</i>    | <i>100.0</i>    | <i>100.0</i>     | <i>100.0</i>     | <i>nm</i>     | <i>nm</i>       | <i>nm</i>    | <i>nm</i>    | <i>nm</i>    |
| <i>EBITDA margin (%)</i>            | <i>-1,296.7</i> | <i>-1,109.4</i> | <i>-3,085.4</i> | <i>-7,457.1</i>  | <i>-69,900.0</i> | <i>nm</i>     | <i>nm</i>       | <i>nm</i>    | <i>nm</i>    | <i>nm</i>    |
| <i>EBITA margin (%)</i>             | <i>-1,659.9</i> | <i>-2,355.6</i> | <i>-4,063.4</i> | <i>-10,358.2</i> | <i>-74,536.4</i> | <i>nm</i>     | <i>nm</i>       | <i>nm</i>    | <i>nm</i>    | <i>nm</i>    |
| <i>EBIT margin (%)</i>              | <i>-1,659.9</i> | <i>-2,355.6</i> | <i>-4,063.4</i> | <i>-10,358.2</i> | <i>-74,536.4</i> | <i>nm</i>     | <i>nm</i>       | <i>nm</i>    | <i>nm</i>    | <i>nm</i>    |
| <i>Pretax margin (%)</i>            | <i>-1,696.6</i> | <i>-2,822.2</i> | <i>-6,056.1</i> | <i>-14,964.8</i> | <i>-72,581.8</i> | <i>nm</i>     | <i>nm</i>       | <i>nm</i>    | <i>nm</i>    | <i>nm</i>    |
| <i>Net margin (%)</i>               | <i>-1,696.6</i> | <i>-2,822.2</i> | <i>-6,056.1</i> | <i>-14,964.8</i> | <i>-72,581.8</i> | <i>nm</i>     | <i>nm</i>       | <i>nm</i>    | <i>nm</i>    | <i>nm</i>    |
| <b>Growth rates Y/Y</b>             | <b>2013</b>     | <b>2014</b>     | <b>2015</b>     | <b>2016</b>      | <b>2017</b>      | <b>2018</b>   | <b>2019</b>     | <b>2020e</b> | <b>2021e</b> | <b>2022e</b> |
| <i>Sales growth (%)</i>             | <i>-17.1</i>    | <i>4.7</i>      | <i>-93.9</i>    | <i>122.0</i>     | <i>-87.9</i>     | <i>-100.0</i> | <i>na</i>       | <i>na</i>    | <i>na</i>    | <i>na</i>    |
| <i>EBITDA growth (%)</i>            | <i>-20.9</i>    | <i>10.4</i>     | <i>83.0</i>     | <i>-436.4</i>    | <i>-13.3</i>     | <i>29.8</i>   | <i>-97.1</i>    | <i>29.4</i>  | <i>-83.6</i> | <i>45.7</i>  |
| <i>EBIT growth (%)</i>              | <i>5.4</i>      | <i>-48.6</i>    | <i>89.5</i>     | <i>-465.8</i>    | <i>13.0</i>      | <i>33.5</i>   | <i>-119.9</i>   | <i>35.3</i>  | <i>-78.1</i> | <i>45.7</i>  |
| <i>Net profit growth (%)</i>        | <i>23.0</i>     | <i>-78.4</i>    | <i>86.9</i>     | <i>-448.4</i>    | <i>41.4</i>      | <i>94.3</i>   | <i>-3,081.3</i> | <i>-34.1</i> | <i>-90.2</i> | <i>-36.9</i> |
| <i>EPS growth (%)</i>               | <i>75.1</i>     | <i>-41.5</i>    | <i>92.1</i>     | <i>-277.1</i>    | <i>69.8</i>      | <i>94.9</i>   | <i>-1,343.2</i> | <i>-17.5</i> | <i>-25.2</i> | <i>-30.8</i> |
| <b>Profitability</b>                | <b>2013</b>     | <b>2014</b>     | <b>2015</b>     | <b>2016</b>      | <b>2017</b>      | <b>2018</b>   | <b>2019</b>     | <b>2020e</b> | <b>2021e</b> | <b>2022e</b> |
| <i>ROE (%)</i>                      | <i>-33.1</i>    | <i>-68.1</i>    | <i>-10.7</i>    | <i>-55.1</i>     | <i>-17.1</i>     | <i>-0.7</i>   | <i>-8.9</i>     | <i>-7.3</i>  | <i>-11.1</i> | <i>-13.5</i> |
| <i>ROE Adj (%)</i>                  | <i>-33.1</i>    | <i>-68.1</i>    | <i>-10.7</i>    | <i>-55.1</i>     | <i>-17.1</i>     | <i>-0.7</i>   | <i>-8.9</i>     | <i>-7.3</i>  | <i>-9.0</i>  | <i>-13.5</i> |
| <i>ROCE (%)</i>                     | <i>-32.1</i>    | <i>-54.8</i>    | <i>-6.0</i>     | <i>-27.0</i>     | <i>-11.4</i>     | <i>5.3</i>    | <i>-5.6</i>     | <i>-2.9</i>  | <i>-7.1</i>  | <i>-3.9</i>  |
| <i>ROCE Adj (%)</i>                 | <i>-32.1</i>    | <i>-54.8</i>    | <i>-6.0</i>     | <i>-27.0</i>     | <i>-11.4</i>     | <i>5.3</i>    | <i>-5.6</i>     | <i>-2.9</i>  | <i>-5.6</i>  | <i>-3.9</i>  |
| <i>ROIC (%)</i>                     | <i>-88.9</i>    | <i>-173.0</i>   | <i>-12.3</i>    | <i>-40.1</i>     | <i>-23.2</i>     | <i>-10.5</i>  | <i>-6.6</i>     | <i>-2.4</i>  | <i>-4.1</i>  | <i>-1.5</i>  |
| <i>ROIC Adj (%)</i>                 | <i>-88.9</i>    | <i>-173.0</i>   | <i>-12.3</i>    | <i>-40.1</i>     | <i>-23.2</i>     | <i>-10.5</i>  | <i>-6.6</i>     | <i>-2.4</i>  | <i>-2.0</i>  | <i>-1.5</i>  |
| <b>Adj earnings numbers</b>         | <b>2013</b>     | <b>2014</b>     | <b>2015</b>     | <b>2016</b>      | <b>2017</b>      | <b>2018</b>   | <b>2019</b>     | <b>2020e</b> | <b>2021e</b> | <b>2022e</b> |
| EBITDA Adj                          | -8              | -7              | -1              | -7               | -8               | -5            | -11             | -8           | -7           | -8           |
| <i>EBITDA Adj margin (%)</i>        | <i>-1,296.7</i> | <i>-1,109.4</i> | <i>-3,085.4</i> | <i>-7,457.1</i>  | <i>-69,900.0</i> | <i>nm</i>     | <i>nm</i>       | <i>nm</i>    | <i>nm</i>    | <i>nm</i>    |
| EBITDA lease Adj                    | -8              | -7              | -1              | -7               | -8               | -5            | -11             | -8           | -7           | -8           |
| <i>EBITDA lease Adj margin (%)</i>  | <i>-1,296.7</i> | <i>-1,109.4</i> | <i>-3,085.4</i> | <i>-7,457.1</i>  | <i>-69,900.0</i> | <i>nm</i>     | <i>nm</i>       | <i>nm</i>    | <i>nm</i>    | <i>nm</i>    |
| EBITA Adj                           | -11             | -16             | -2              | -9               | -8               | -5            | -12             | -8           | -7           | -8           |
| <i>EBITA Adj margin (%)</i>         | <i>-1,659.9</i> | <i>-2,355.6</i> | <i>-4,063.4</i> | <i>-10,358.2</i> | <i>-74,536.4</i> | <i>nm</i>     | <i>nm</i>       | <i>nm</i>    | <i>nm</i>    | <i>nm</i>    |
| EBIT Adj                            | -11             | -16             | -2              | -9               | -8               | -5            | -12             | -8           | -7           | -8           |
| <i>EBIT Adj margin (%)</i>          | <i>-1,659.9</i> | <i>-2,355.6</i> | <i>-4,063.4</i> | <i>-10,358.2</i> | <i>-74,536.4</i> | <i>nm</i>     | <i>nm</i>       | <i>nm</i>    | <i>nm</i>    | <i>nm</i>    |
| Pretax profit Adj                   | -11             | -19             | -2              | -14              | -8               | -0            | -15             | -20          | -30          | -51          |
| Net profit Adj                      | -11             | -19             | -2              | -14              | -8               | -0            | -15             | -20          | -30          | -51          |
| Net profit to shareholders Adj      | -11             | -19             | -2              | -14              | -8               | -0            | -15             | -20          | -30          | -51          |
| Net Adj margin (%)                  | -1,696.6        | -2,822.2        | -6,056.1        | -14,964.8        | -72,581.8        | nm            | nm              | nm           | nm           | nm           |

Source: ABG Sundal Collier, Company data

# Copperstone Resources

| <b>Cash Flow Statement (SEKm)</b>      | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020e</b> | <b>2021e</b> | <b>2022e</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| EBITDA                                 | -8          | -7          | -1          | -7          | -8          | -5          | -11         | -8           | -14          | -8           |
| Net financial items                    | -0          | -3          | -1          | -4          | 0           | 5           | -3          | -12          | -23          | -43          |
| Paid tax                               | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Non-cash items                         | 0           | 4           | -9          | 9           | 6           | -13         | 0           | 0            | 0            | 0            |
| Cash flow before change in WC          | -9          | -6          | -11         | -2          | -1          | -13         | -13         | -19          | -37          | -51          |
| Change in WC                           | -1          | -1          | 3           | -0          | -7          | 7           | -2          | 6            | 1            | 3            |
| <b>Operating cash flow</b>             | <b>-10</b>  | <b>-7</b>   | <b>-9</b>   | <b>-2</b>   | <b>-8</b>   | <b>-6</b>   | <b>-15</b>  | <b>-13</b>   | <b>-36</b>   | <b>-48</b>   |
| CAPEX tangible fixed assets            | 0           | 1           | 0           | 0           | -0          | 0           | 0           | -0           | 0            | -267         |
| CAPEX intangible fixed assets          | -2          | -2          | -2          | -6          | -13         | -20         | -6          | -27          | -20          | -20          |
| Acquisitions and disposals             | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| <b>Free cash flow</b>                  | <b>-12</b>  | <b>-9</b>   | <b>-10</b>  | <b>-8</b>   | <b>-21</b>  | <b>-26</b>  | <b>-21</b>  | <b>-40</b>   | <b>-56</b>   | <b>-335</b>  |
| Dividend paid                          | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Share issues and buybacks              | 11          | 1           | 8           | 17          | 49          | 0           | 45          | 25           | 170          | 0            |
| Lease liability amortisation           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Other non cash items                   | 0           | 4           | -12         | -9          | -7          | 11          | -72         | -5           | -2           | 1            |
| <b>Balance Sheet (SEKm)</b>            | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020e</b> | <b>2021e</b> | <b>2022e</b> |
| Goodwill                               | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Other intangible assets                | 12          | 3           | 22          | 27          | 39          | 59          | 303         | 333          | 354          | 370          |
| Tangible fixed assets                  | 0           | 0           | 0           | 0           | 0           | 0           | 1           | 1            | 1            | 268          |
| Right-of-use asset                     | 1           | 1           | 1           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Total other fixed assets               | 11          | 18          | 4           | 8           | 3           | 13          | 0           | 0            | 0            | 0            |
| Fixed assets                           | 23          | 22          | 27          | 35          | 42          | 73          | 305         | 334          | 355          | 638          |
| Inventories                            | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Receivables                            | 2           | 4           | 1           | 1           | 8           | 1           | 9           | 2            | 2            | 2            |
| Other current assets                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Cash and liquid assets                 | 9           | 1           | 2           | 3           | 28          | 1           | 19          | 55           | 216          | 220          |
| <b>Total assets</b>                    | <b>35</b>   | <b>28</b>   | <b>30</b>   | <b>38</b>   | <b>79</b>   | <b>75</b>   | <b>333</b>  | <b>392</b>   | <b>574</b>   | <b>860</b>   |
| Shareholders equity                    | 32          | 23          | 23          | 26          | 67          | 65          | 264         | 270          | 403          | 352          |
| Minority                               | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| <b>Total equity</b>                    | <b>32</b>   | <b>23</b>   | <b>23</b>   | <b>26</b>   | <b>67</b>   | <b>65</b>   | <b>264</b>  | <b>270</b>   | <b>403</b>   | <b>352</b>   |
| Long-term debt                         | 0           | 1           | 4           | 3           | 4           | 5           | 53          | 108          | 157          | 492          |
| Pension debt                           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Convertible debt                       | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Leasing liability                      | 0           | 0           | 1           | 6           | 5           | 3           | 7           | 7            | 7            | 7            |
| Total other long-term liabilities      | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Short-term debt                        | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Accounts payable                       | 1           | 0           | 1           | 1           | 1           | 0           | 5           | 3            | 4            | 4            |
| Other current liabilities              | 2           | 3           | 1           | 1           | 1           | 1           | 3           | 3            | 3            | 6            |
| <b>Total liabilities and equity</b>    | <b>35</b>   | <b>28</b>   | <b>30</b>   | <b>38</b>   | <b>79</b>   | <b>75</b>   | <b>333</b>  | <b>392</b>   | <b>574</b>   | <b>860</b>   |
| Net IB debt                            | -20         | -18         | -2          | -1          | -22         | -7          | 41          | 60           | -52          | 279          |
| Net IB debt excl. pension debt         | -20         | -18         | -2          | -1          | -22         | -7          | 41          | 60           | -52          | 279          |
| Net IB debt excl. leasing              | -20         | -18         | -2          | -7          | -27         | -9          | 34          | 53           | -59          | 272          |
| Capital invested                       | 13          | 6           | 22          | 25          | 45          | 59          | 305         | 330          | 350          | 631          |
| Working capital                        | 0           | 1           | -2          | -2          | 6           | -1          | 1           | -4           | -4           | -7           |
| <b>EV breakdown</b>                    | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020e</b> | <b>2021e</b> | <b>2022e</b> |
| Market cap. diluted (m)                | na          | na          | 44          | 66          | 266         | 177         | 233         | 513          | 786          | 786          |
| Net IB debt Adj                        | -20         | -18         | -2          | -1          | -22         | -7          | 41          | 60           | -52          | 279          |
| Market value of minority               | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Reversal of shares and participations  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| Reversal of conv. debt assumed equity  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| <b>EV</b>                              | <b>na</b>   | <b>na</b>   | <b>42</b>   | <b>65</b>   | <b>244</b>  | <b>170</b>  | <b>274</b>  | <b>573</b>   | <b>734</b>   | <b>1,065</b> |
| <b>Capital efficiency</b>              | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020e</b> | <b>2021e</b> | <b>2022e</b> |
| Total assets turnover (%)              | 1.8         | 2.1         | 0.1         | 0.3         | 0.0         | 0           | 0           | 0            | 0            | 0            |
| Working capital/sales (%)              | -101.0      | 77.8        | -857.3      | -1,827.5    | 18,495.5    | nm          | nm          | nm           | nm           | nm           |
| <b>Financial risk and debt service</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020e</b> | <b>2021e</b> | <b>2022e</b> |
| Net debt/equity                        | -0.61       | -0.76       | -0.07       | -0.03       | -0.33       | -0.11       | 0.16        | 0.22         | -0.13        | 0.79         |
| Net debt/market cap                    | na          | na          | -0.08       | -0.02       | -0.06       | -0.02       | 0.13        | 0.14         | -0.07        | 0.36         |
| Equity ratio (%)                       | 92.3        | 82.4        | 77.0        | 69.1        | 85.3        | 87.6        | 79.3        | 69.0         | 70.2         | 40.9         |
| Net IB debt adj./equity                | -0.61       | -0.76       | -0.07       | -0.03       | -0.33       | -0.11       | 0.16        | 0.22         | -0.13        | 0.79         |
| Current ratio                          | 4.95        | 1.62        | 0.88        | 0.41        | 4.81        | 0.51        | 1.85        | 4.22         | 15.70        | 13.79        |
| EBITDA/net interest                    | -35.37      | -2.38       | -1.55       | -1.62       | -35.76      | -1.08       | -4.07       | -0.64        | -0.59        | -0.17        |
| Net IB debt/EBITDA                     | 2.37        | 2.40        | 1.30        | 0.13        | 2.85        | 1.28        | -3.86       | -7.92        | 3.80         | -37.24       |
| Net IB debt/EBITDA lease Adj           | 2.38        | 2.41        | 1.85        | 1.02        | 3.53        | 1.74        | -3.20       | -6.99        | 8.74         | -36.31       |
| Interest cover                         | -43.57      | -4.79       | -1.71       | -1.67       | -3.93       | 0.90        | -3.23       | -1.12        | -9.85        | -1.17        |

Source: ABG Sundal Collier, Company data

# Copperstone Resources

| Valuation and Ratios (SEKm)                | 2013        | 2014        | 2015        | 2016        | 2017        | 2018        | 2019        | 2020e        | 2021e        | 2022e        |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Shares outstanding adj.                    | 36          | 39          | 101         | 170         | 242         | 249         | 556         | 641          | 983          | 983          |
| Fully diluted shares Adj                   | 36          | 39          | 101         | 170         | 242         | 249         | 556         | 641          | 983          | 983          |
| EPS  | -0.29       | -0.41       | -0.03       | -0.12       | -0.04       | -0.00       | -0.03       | -0.03        | -0.04        | -0.05        |
| Dividend per share Adj                     | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| EPS Adj                                    | -0.29       | -0.41       | -0.03       | -0.12       | -0.04       | -0.00       | -0.03       | -0.03        | -0.03        | -0.05        |
| BVPS                                       | 0.89        | 0.60        | 0.23        | 0.15        | 0.28        | 0.26        | 0.48        | 0.42         | 0.41         | 0.36         |
| BVPS Adj                                   | 0.89        | 0.60        | 0.23        | 0.15        | 0.28        | 0.26        | 0.48        | 0.42         | 0.41         | 0.36         |
| Net IB debt / share                        | -0.5        | -0.5        | -0.0        | -0.0        | -0.1        | -0.0        | 0.1         | 0.1          | -0.1         | 0.3          |
| Share price                                | na          | na          | 0.43        | 0.39        | 1.10        | 0.71        | 0.42        | 0.80         | 0.80         | 0.80         |
| Market cap. (m)                            | na          | na          | 44          | 66          | 266         | 177         | 233         | 513          | 786          | 786          |
| <b>Valuation</b>                           | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020e</b> | <b>2021e</b> | <b>2022e</b> |
| P/E  | na          | na          | -13.3       | -3.2        | -29.8       | -381.6      | -15.6       | -25.3        | -20.2        | -15.4        |
| EV/sales                                   | na          | na          | 1,020.99    | 711.56      | 22,193.94   | nm          | nm          | nm           | nm           | nm           |
| EV/EBITDA                                  | na          | na          | -33.1       | -9.5        | -31.8       | -31.5       | -25.8       | -76.2        | -53.2        | -142.0       |
| EV/EBITA                                   | na          | na          | -25.1       | -6.9        | -29.8       | -31.2       | -22.9       | -73.9        | -53.2        | -142.0       |
| EV/EBIT                                    | na          | na          | -25.1       | -6.9        | -29.8       | -31.2       | -22.9       | -73.9        | -53.2        | -142.0       |
| Dividend yield (%)                         | na          | na          | 0           | 0           | 0           | 0           | 0           | 0            | 0            | 0            |
| FCF yield (%)                              | na          | na          | -31.4       | -19.1       | -8.9        | -15.1       | -9.2        | -8.2         | -7.5         | -42.6        |
| Lease adj. FCF yield (%)                   | na          | na          | -31.4       | -19.1       | -8.9        | -15.1       | -9.2        | -8.2         | -7.5         | -42.6        |
| P/BVPS                                     | na          | na          | 1.88        | 2.50        | 3.97        | 2.71        | 0.88        | 1.90         | 1.95         | 2.23         |
| P/BVPS Adj                                 | na          | na          | 1.88        | 2.50        | 3.97        | 2.71        | 0.88        | 1.90         | 1.95         | 2.23         |
| P/E Adj                                    | na          | na          | -13.3       | -3.2        | -29.8       | -381.6      | -15.6       | -25.3        | -24.9        | -15.4        |
| EV/EBITDA Adj                              | na          | na          | -33.1       | -9.5        | -31.8       | -31.5       | -25.8       | -76.2        | -107.9       | -142.0       |
| EV/EBITA Adj                               | na          | na          | -25.1       | -6.9        | -29.8       | -31.2       | -22.9       | -73.9        | -107.9       | -142.0       |
| EV/EBIT Adj                                | na          | na          | -25.1       | -6.9        | -29.8       | -31.2       | -22.9       | -73.9        | -107.9       | -142.0       |
| EV/cap. employed                           | na          | na          | 1.5         | 1.8         | 3.2         | 2.3         | 0.8         | 1.5          | 1.3          | 1.3          |
| <b>Investment ratios</b>                   | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020e</b> | <b>2021e</b> | <b>2022e</b> |
| Capex/sales                                | 372.4       | 196.1       | 3,753.7     | 7,073.6     | 117,536.4   | nm          | nm          | nm           | nm           | nm           |
| Capex/depreciation                         | 102.5       | 15.7        | 383.8       | 243.8       | 2,535.1     | 40,122.0    | 462.3       | 11,787.5     | nm           | nm           |
| Capex tangibles/tangible fixed assets      | 0           | -4,545.5    | 0           | 0           | 97.1        | 0           | 0           | 13.3         | 0            | 99.8         |
| Capex intangibles/definite intangibles     | nm          | nm          | nm          | nm          | nm          | nm          | nm          | nm           | nm           | nm           |
| Depreciation on intangibles/definite intai | nm          | nm          | nm          | nm          | nm          | nm          | nm          | nm           | nm           | nm           |
| Depreciation on tangibles/tangibles        | 6,847.1     | 76,018.2    | 10,025.0    | 66,000.0    | 184.8       | 22.2        | 257.4       | 41.7         | 0            | 0            |

Source: ABG Sundal Collier, Company data

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