

# The Viscaria project

Roadshow investor presentation - Tuesday, Block 3

21 September 2021



# Disclaimer

## Forward-looking statements

This presentation contains forward-looking statements, which relate to events or future performance and reflect Copperstone's current expectations and assumptions. Such forward-looking statements are based on information previously made public by the company, other public sources, and the company's current assumptions and beliefs, which may be subject to change, and should not be viewed or understood as projections, forecasts or similar.

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## Financial information

The numbers and financial figures in this presentation have not been reviewed nor audited by the company's auditor. Furthermore, some of the figures in the presentation have been rounded off.

# Agenda

**01.** Our team and vision

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**02.** Market overview

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**03.** Viscaria

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**04.** Financials

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**05.** Appendix

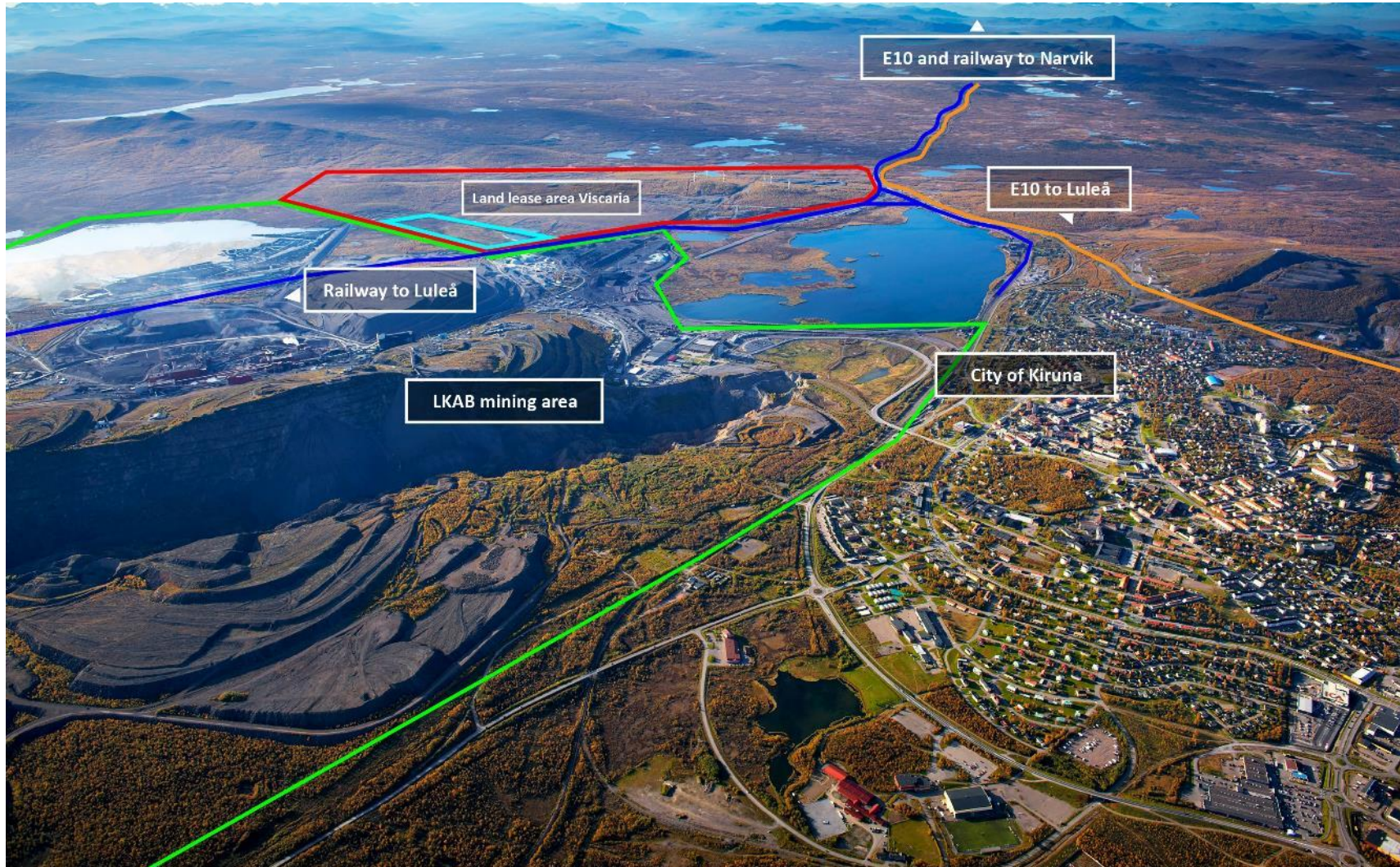
# 03. Viscaria





# Viscaria is attractively located in an area suited for mining

A brownfield area with unique infrastructure



Mainly a brownfield area, previously mined with 65 km existing underground infrastructure

Next door neighbor to existing LKAB mining and industrial area

On the verge to the surrounding natural landscape, hence only partially affecting biodiversity, recreational values and reindeer herding

Unique infrastructure (E10, railways, electric power grid etc.)

A permit portfolio where land use has already been decided

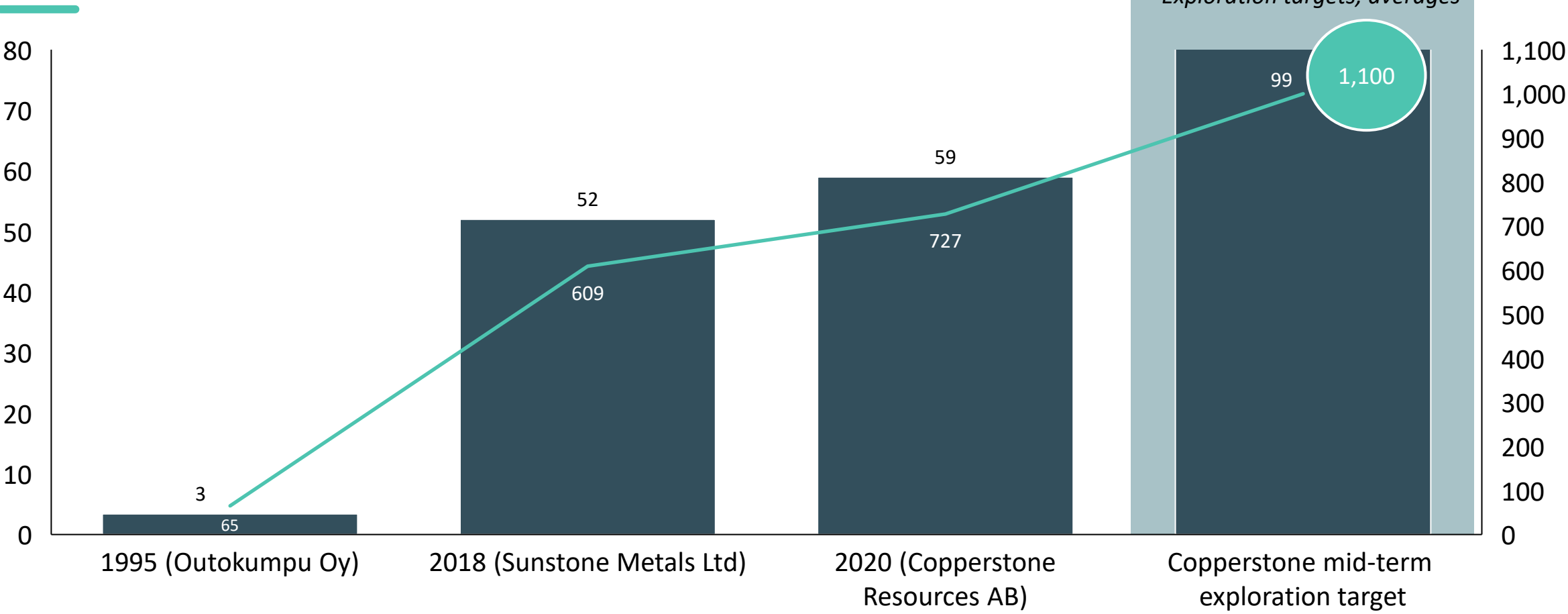
Mineral resources classified as national interest

Local community with exceptional access to mining know-how and social acceptance

# Our resources have expanded

A growing deposit; Mid-term exploration target of copper-bearing rock of 89-109Mton and 1,000-1,200Kton of copper (grades; 1.11-1.13%)

## Viscaria Copper-bearing resources (Mton) vs Copper (Kton)

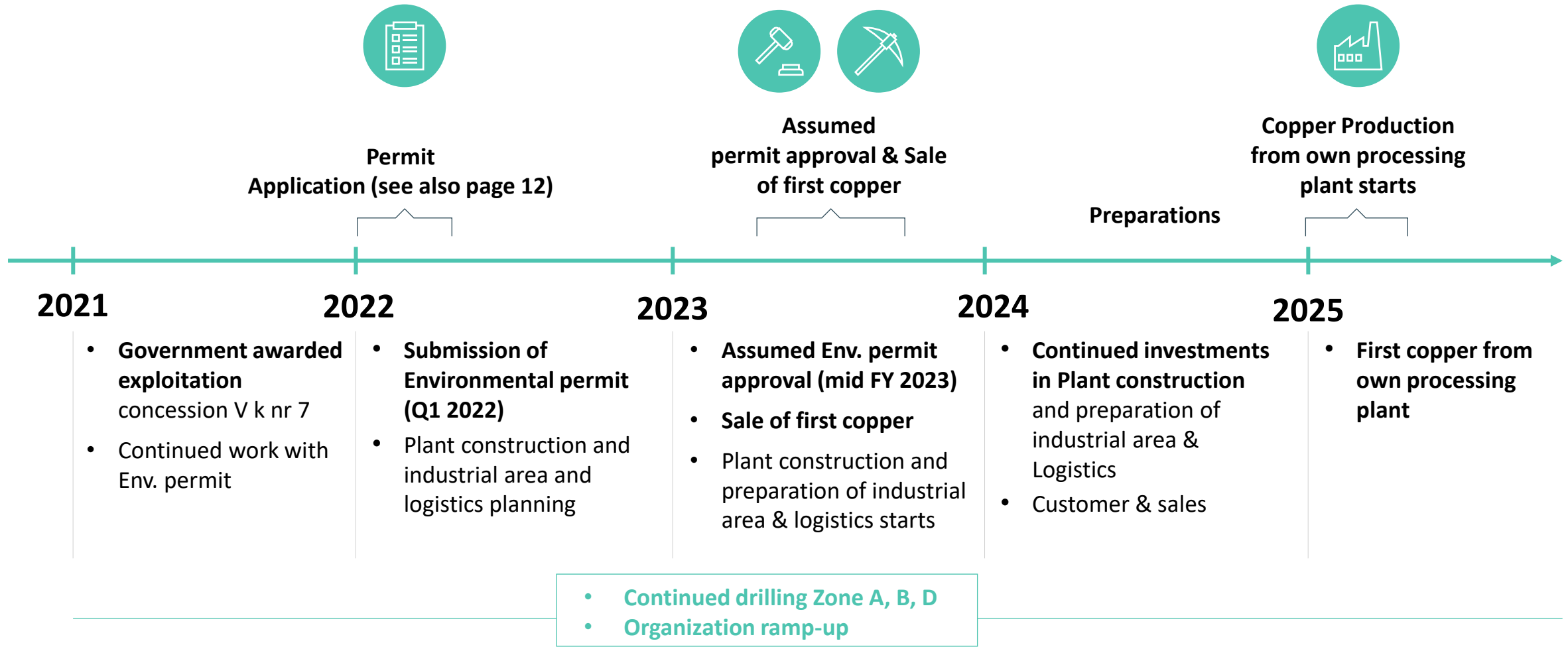


<sup>1</sup> Please refer to [www.copperstone.se](http://www.copperstone.se) for detailed information on tonnages and grades in each class and zone respectively of the reported mineral resources.



# Revised timetable

Copper production set to start in 2025 with permit approval expected mid 2023



# Overview of Viscaria project work streams

All work streams are related and the collaboration between the teams is intense



Project coordination –  
Anna & Team

## A. Sustainability



Anna & Anders L



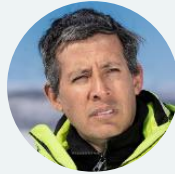
## B. Environmental Permit Application Process



Anders L & Team



## C. Geology



Marcello & Team



## D. Mine Design Production



Glenn & Team



## Financials (covered in next chapter)



Jörgen & Michael





# A. Sustainability

Clear ambition to align performance with EU Taxonomy



## Climate change mitigation

Potential for market leading low CO<sub>2</sub> footprint in long term operation (phase 2). Note: Products are critical for low CO<sub>2</sub> energy transition



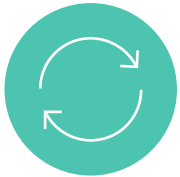
## Climate change adaption

Uncertainties from EU if this objective will be applicable to mining



## Sustainable use of water

Circulation of water and smart water management will strengthen ambition to sustain good status of downstream water bodies



## Circular economy

ReMining of old deposits + ambition to limit impact from raw material extraction to a minimum. Note: Produced copper has very high recyclability



## Pollution prevention

ReMining and minimizing substances of concern will improve environmental conditions compared to present

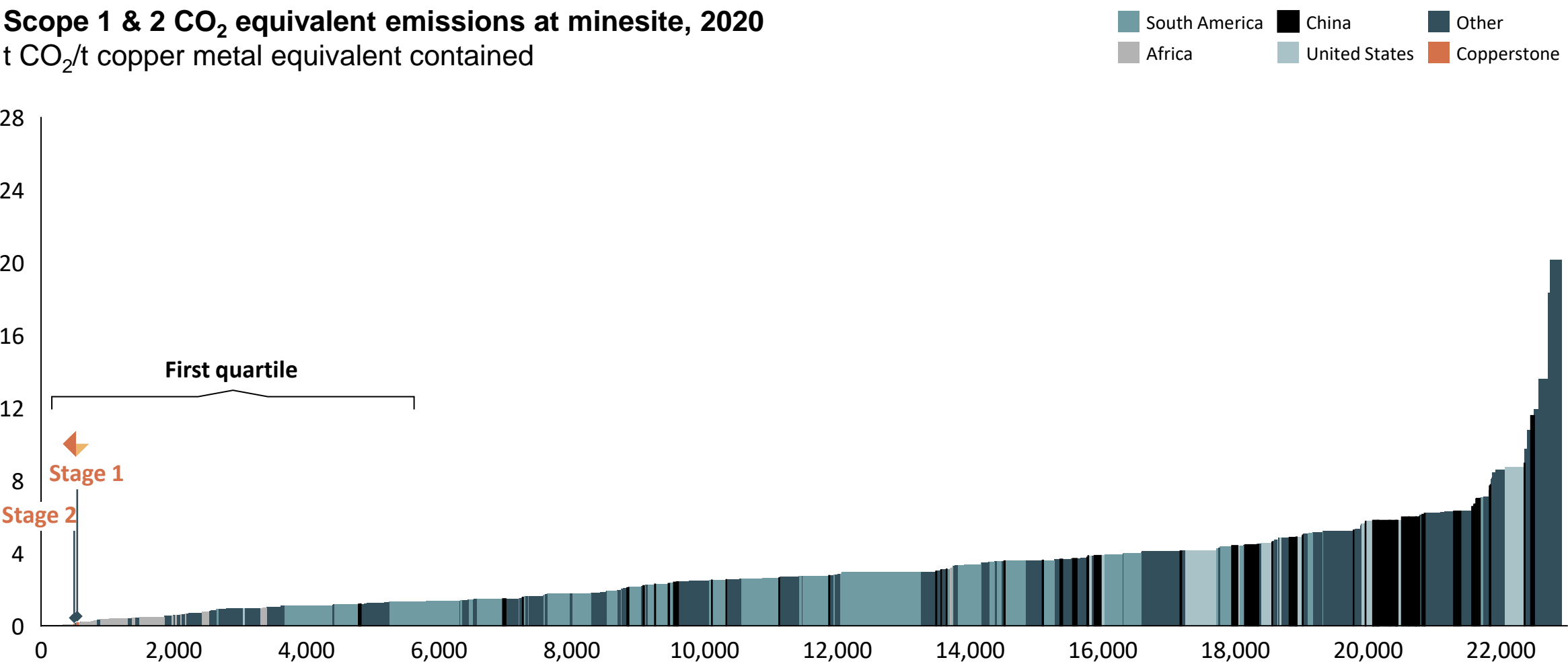


## Healthy ecosystem

Full adoption of mitigation hierarchy for Biodiversity; Avoid, Minimize, Restore and Offset, incl. geomorphological design of deposits for restoring natural ecosystems post mining

# This will make us one of the world's most sustainable mines

Scope 1 & 2 CO<sub>2</sub> equivalent emissions at minesite, 2020  
t CO<sub>2</sub>/t copper metal equivalent contained



Source: MineSpans

## B. Environmental permit process

### Unique local environment...

The local environment around Kiruna contains unique natural values

In this environment, there has been mining operations running for more than 120 years

Still, outside the immediate mine operations, there are virtually no measurable negative effects from mine operations, including biodiversity, water quality, etc.

### ... that we are committed to preserve

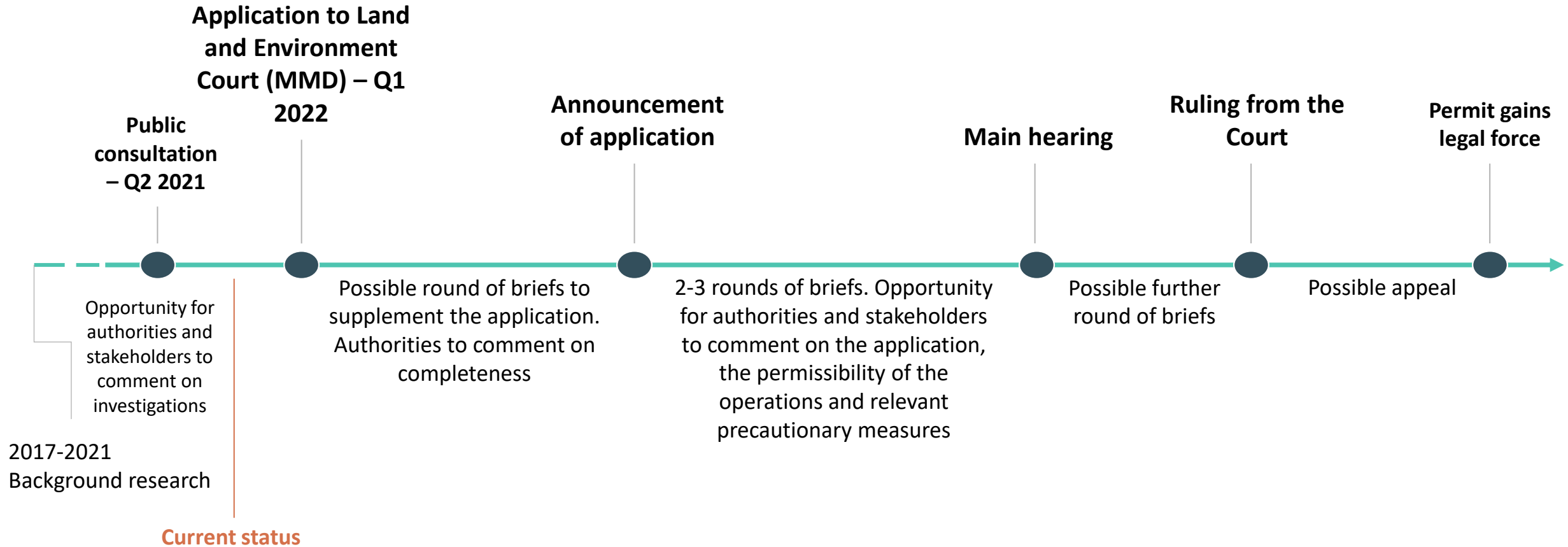
Copperstone is conducting a world-class environmental review, which ensures natural values are protected, and a seamless permit application process

- ~25 dedicated employees
- ~20 different environmental surveys



## B. Environmental permit process

Assumed permit approval for Copperstone in mid 2023



## B. Environmental permit process

Some surveys we are conducting for the application

- Surface water modelling of flows and chemistry
- Geohydrology: impact on flows and subsidence of groundwater levels
- Characterization of mining waste
- Water treatment methods
- Survey on water quality standards
- Survey on natural habitats
- Species survey
- Survey on Natura 2000 habitats and protected species
- Reindeer herding analysis
- Socio- economical report
- Noise and vibrations
- Baseline air quality
- Modelling of future air quality
- Logistic survey
- Cultural investigation
- Waste handling plan and preliminary reclamation plan
- Plan for recreational infrastructure – local solutions and add ons
- Plan for biodiversity offsetting for residual impact

## B. Environmental permit process

Geomorphologic design greatly improves mine site rehabilitation



**The benefits with geomorphologic design are:**

- Appealing landscape post LoM
- Excellent to combine with ecological finishing
- The technique is efficient and leads to zero erosion

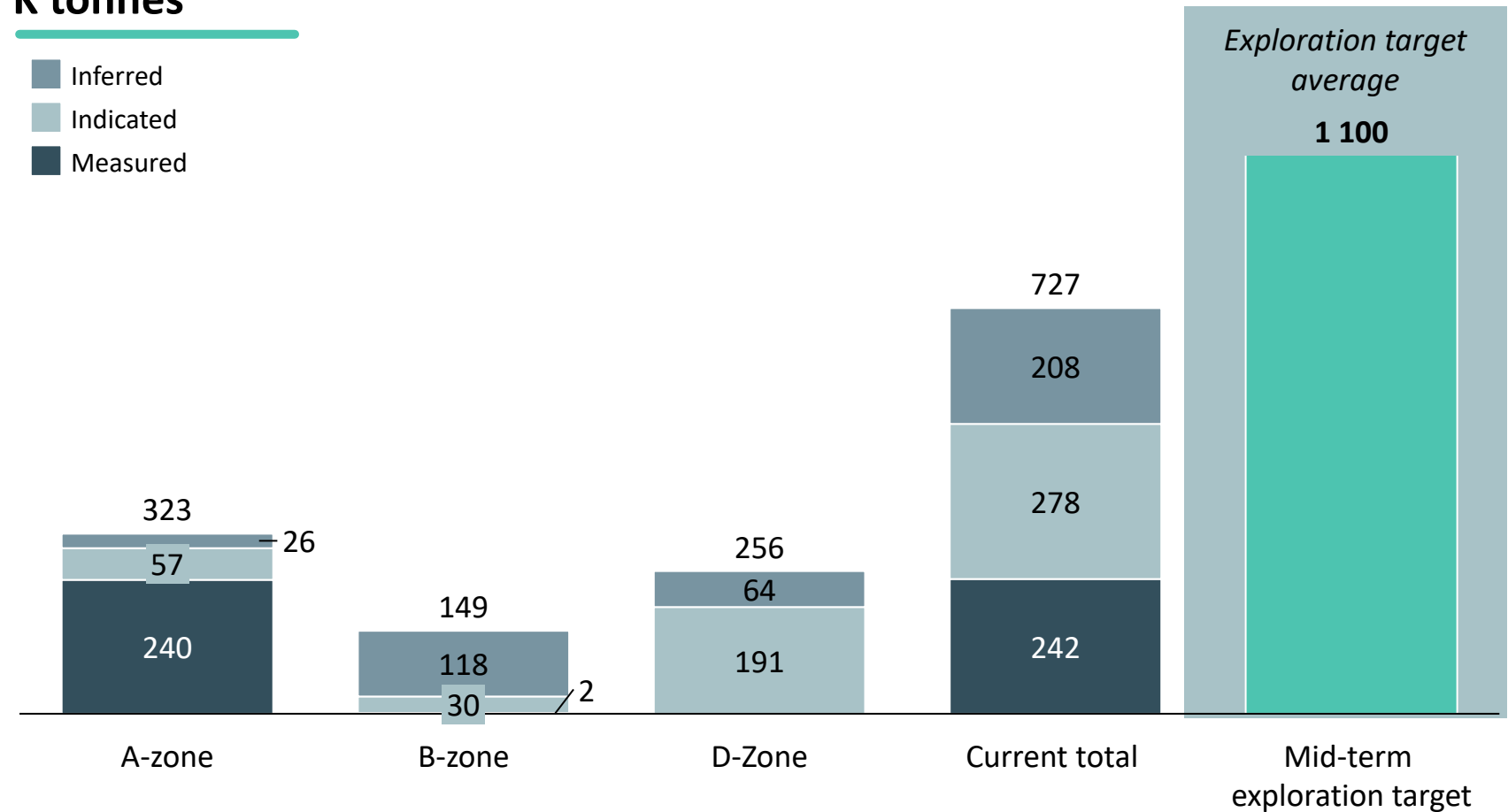




# C. Geology

Three different zones with three different levels of certainty – total identified resources are growing

K tonnes<sup>1</sup>



## Key tasks for the geology team:

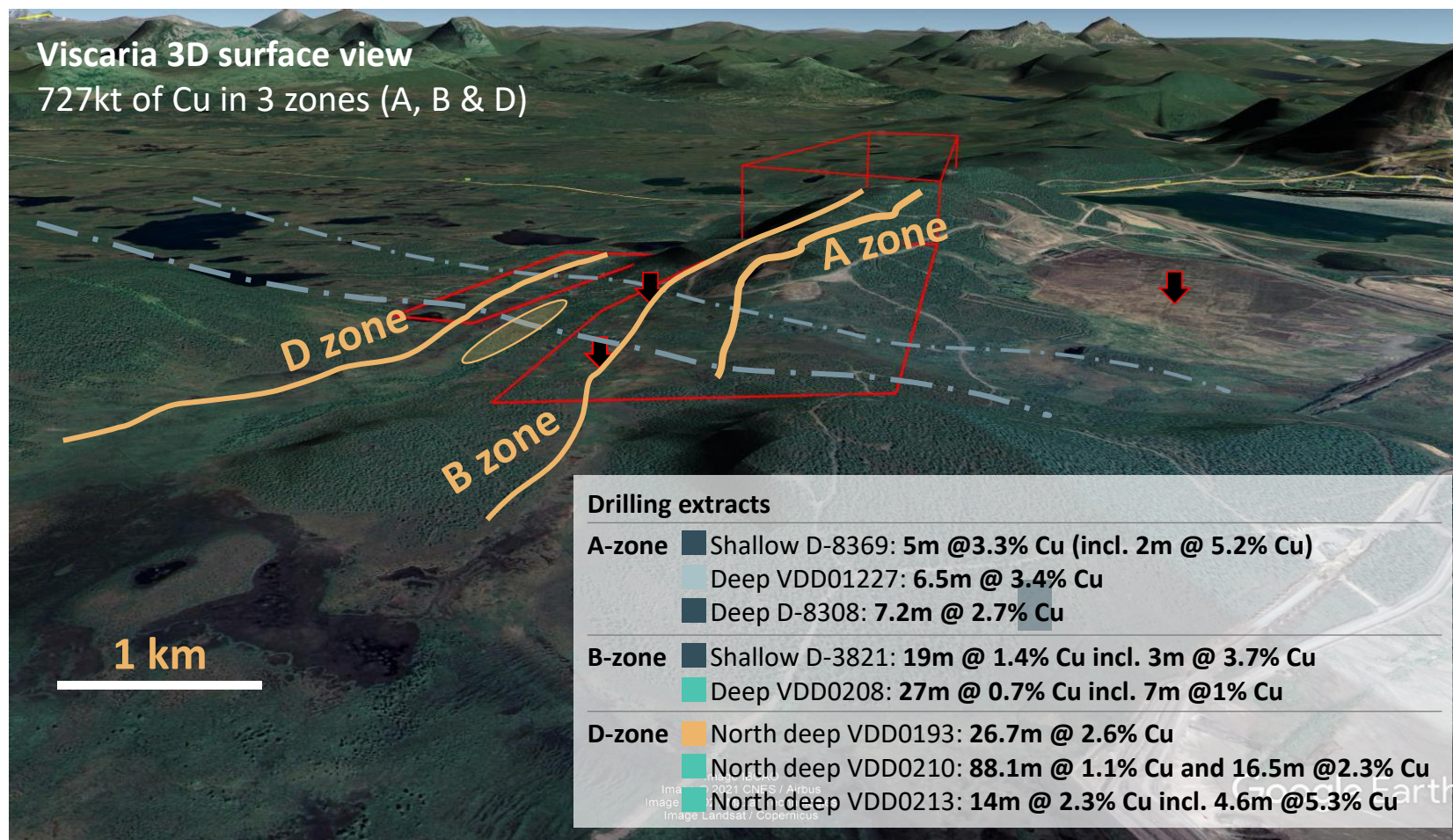
- Increase the certainty of inferred and indicated resources
- Find more resources
- Last but not least, give input and help optimize mine and process plant design

<sup>1</sup> Please refer to [www.copperstone.se](http://www.copperstone.se) for detailed information on tonnages and grades in each class and zone respectively of the reported mineral resources.

## C. Geology

Viscaria system has proven high copper concentration, with great potential for further expansion

↓ Current drilling    □ Mining concession    ■ Copperstone    ■ Avalon    ■ Outokumpu    ■ Sunstone



### Key points

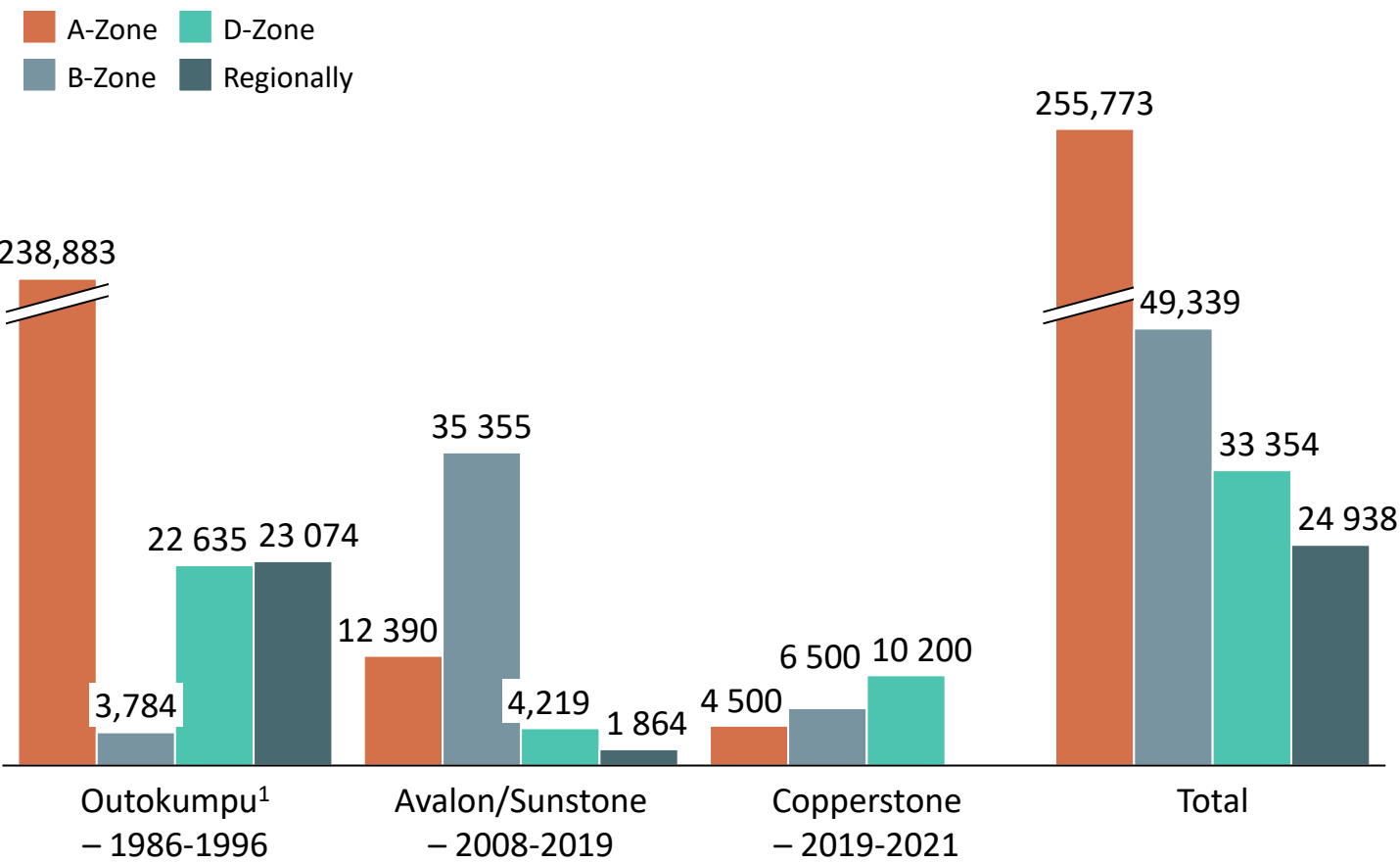
- **Highly concentrated copper between 1-3%** (0.5% global average) found in both A, B and D-zones
- **Significant new exploration potential** both at depth and along strike
- **Additionally, former waste rock dump and old tailings show potential** for relatively resource light copper extraction (0.2-0.8% concentration)
- **As copper price increases the faster we would like start the D-zone** as exploration indicates a large volume and high purity copper can be found there



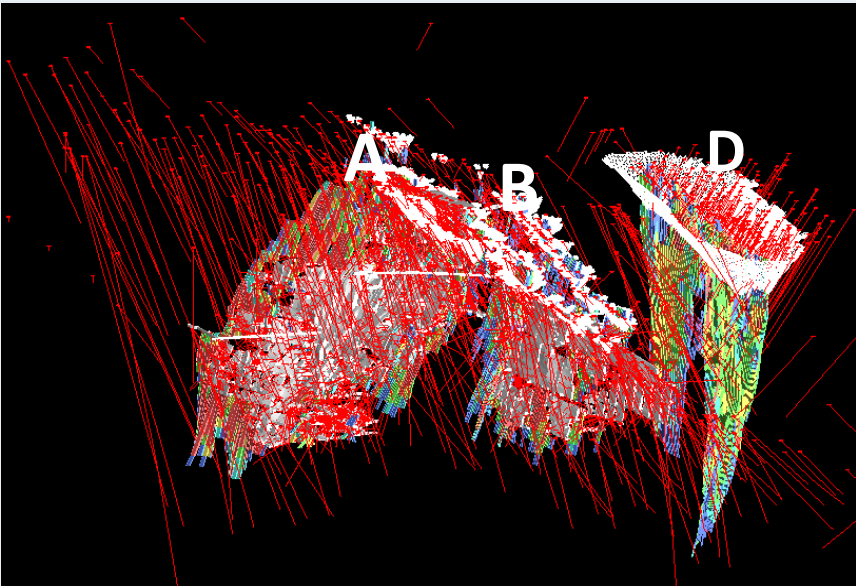
# C. Geology

Geology with great characteristic for copper mining: Candelaria style Cu-Fe mineralization within a world class Iron ore district

## Meters, drilled



First class data accuracy from boreholes

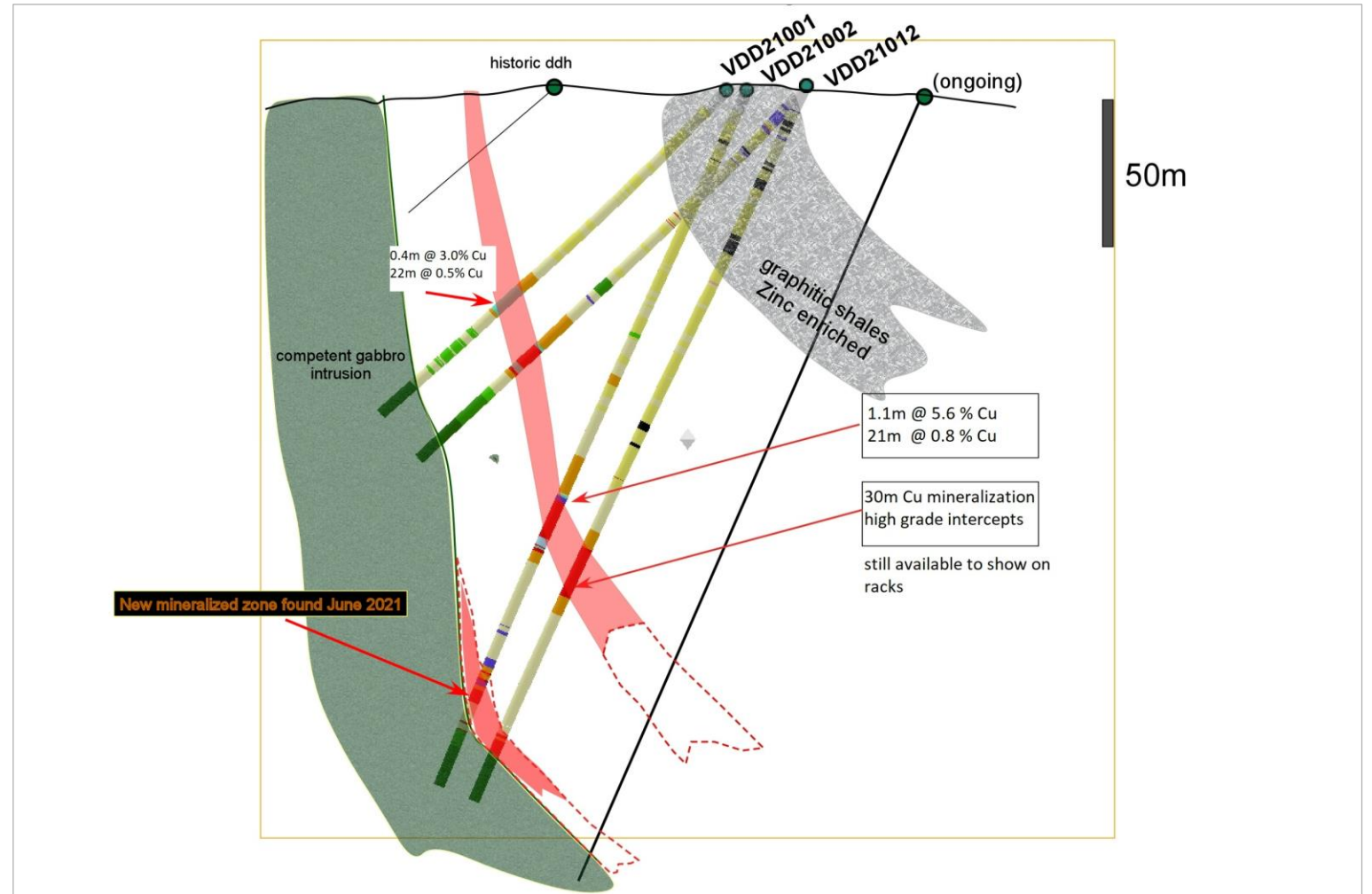




## C. Geology

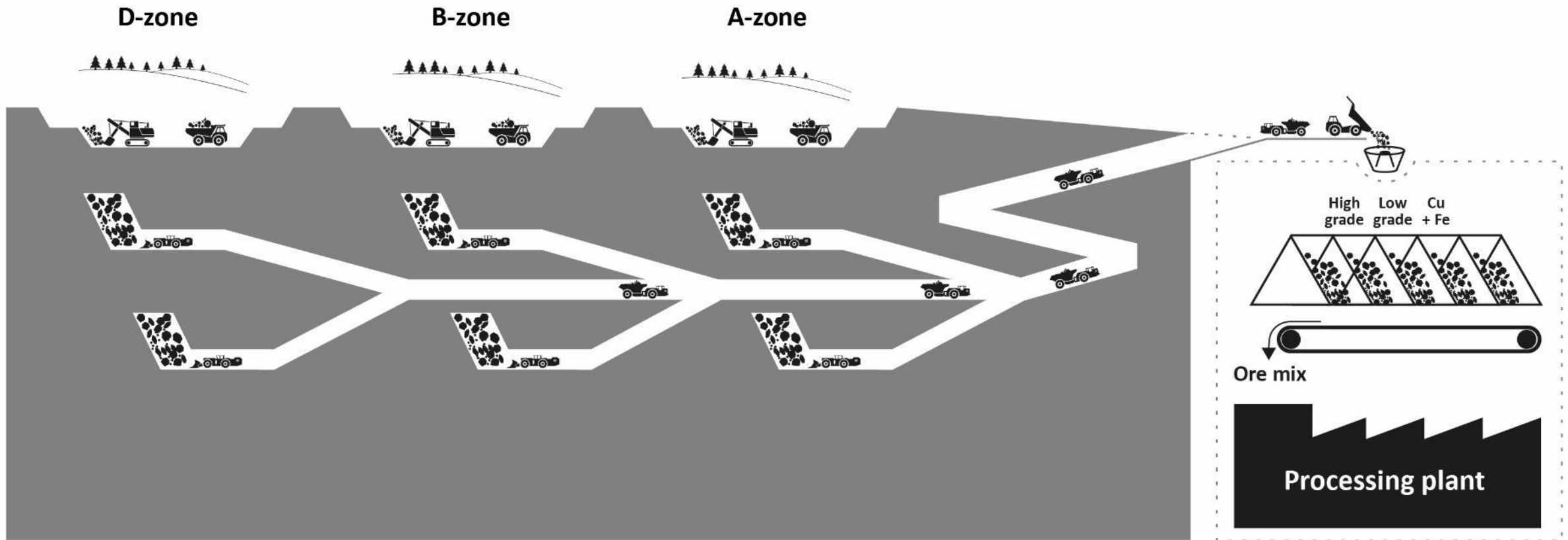
Findings from last 3 months of drilling show great potential

**2021 drilling in the B Zone  
south extension  
8.000m drilling ongoing**



## D. Mine design & Production

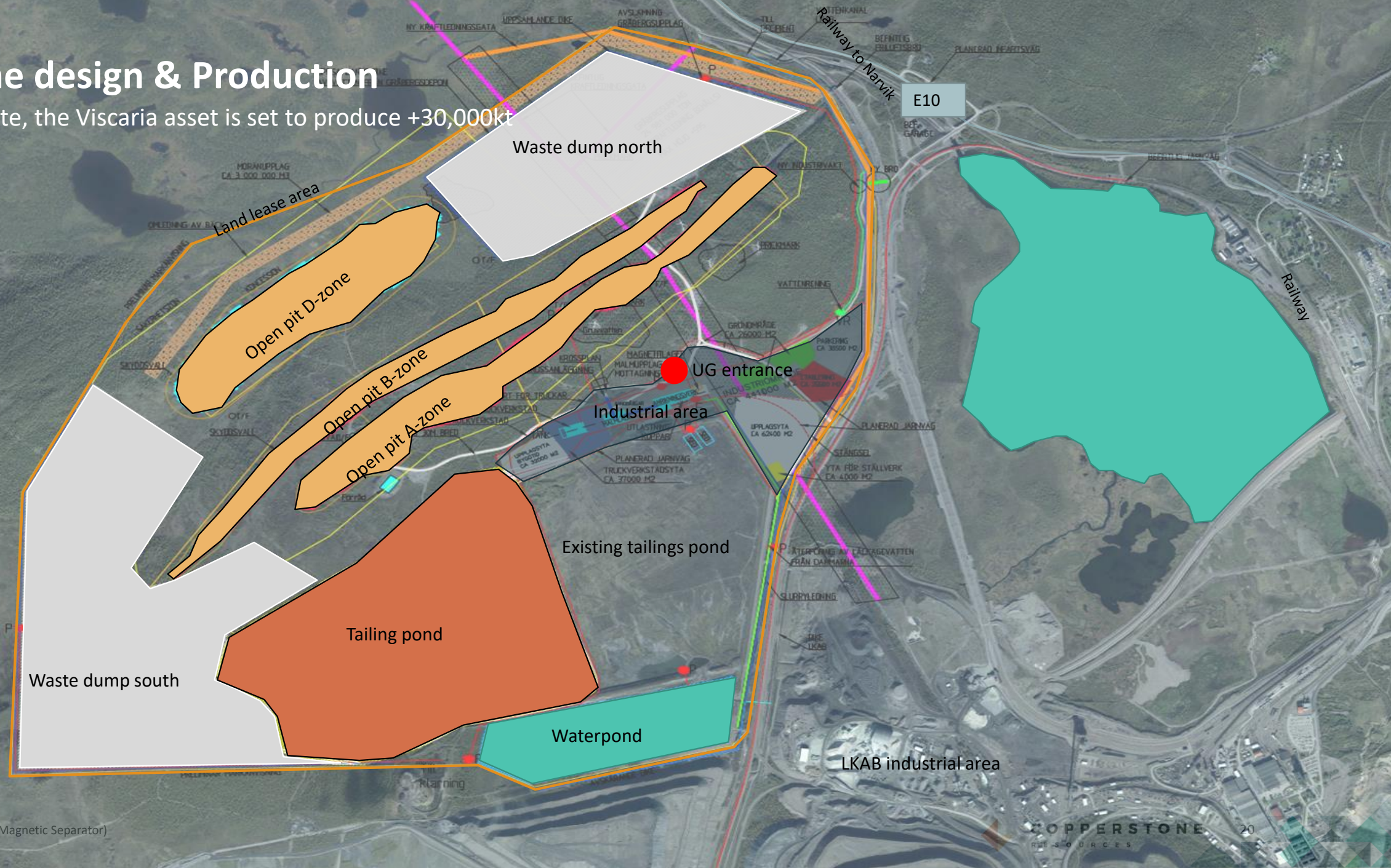
From ground to plant





## D. Mine design & Production

Full run-rate, the Viscaria asset is set to produce +30,000ktpa





## Concentration Plant – Copper and Magnetite

[illegible]

- Our aspiration is the worlds most effective and environmental friendly processing plant
- Built for 3m tonnes with opportunity for additional capacity with limited additional CAPEX
- Processing of magnetite



# 04. Financials



**Substantially improved aspirational financials as a ramp-up of production (+50% p.a.) and increased copper prices (from USD 7,000 to USD 9,000)**

Aspirational financials at full run-rate production

Current forecast, Net profit (SEK)

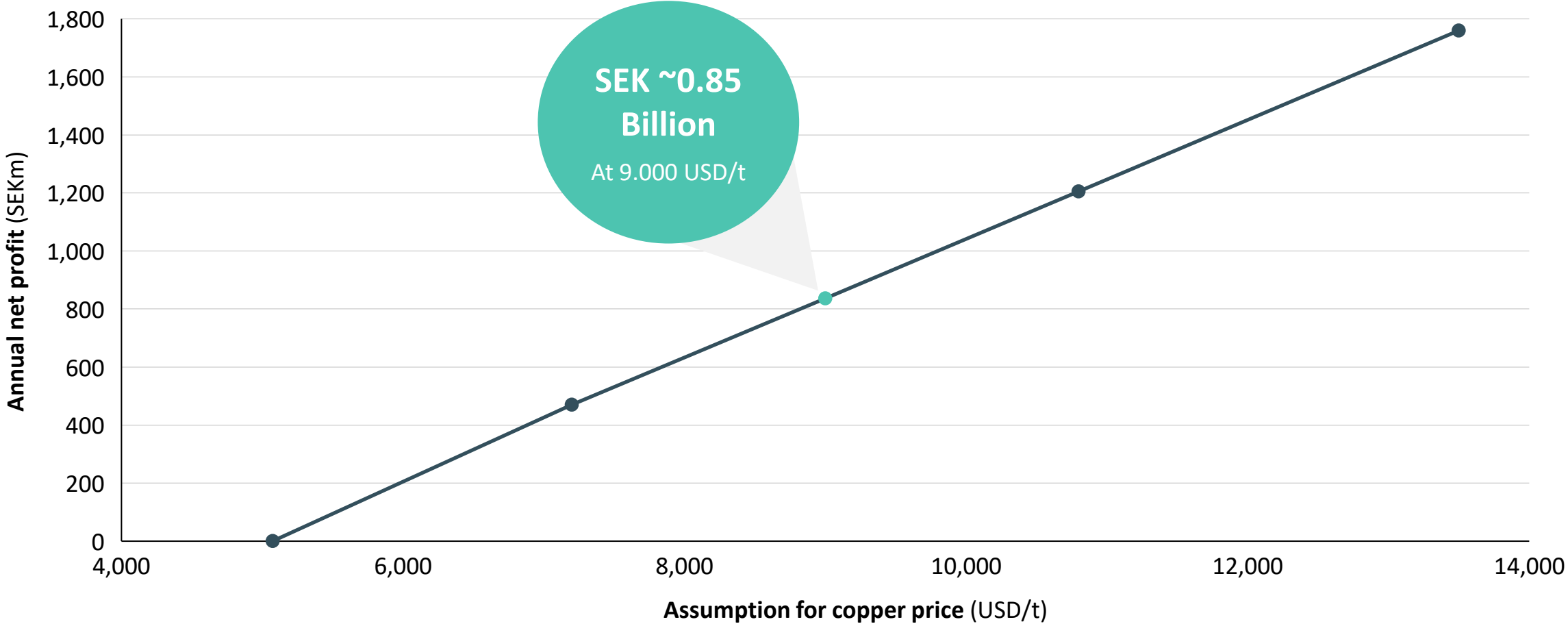
**~0.85 Billion**

Previous forecast, Net profit (SEK)

**0.4 Billion**

# Resilient business case – breakeven at copper price of ~5,100 USD/t

## Copper price sensitivity analysis

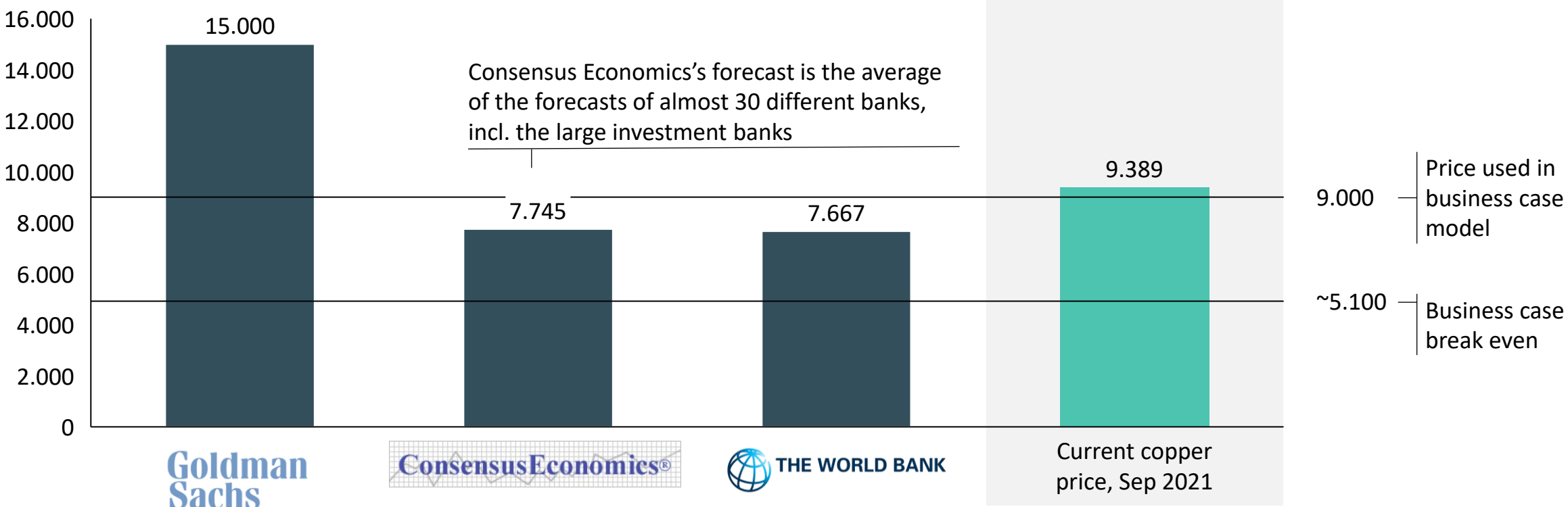


# Copper price resilience

Copperstone’s business case is resilient to copper price variations

## Copper price forecast, 2025

USD/t, nominal



Source: Goldman Sachs, April 2021; Consensus Economics, August 2021; The World Bank, April 2021



# Financials

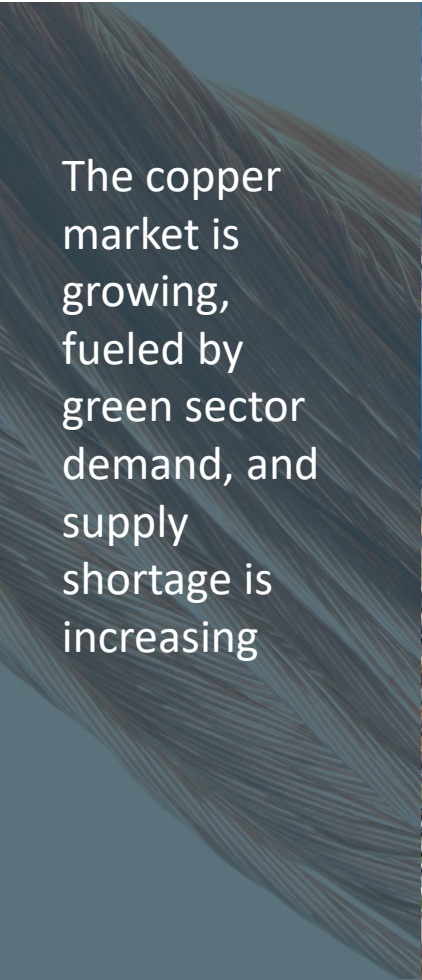
## Key Operational assumption

Initial Life Of Mine (“LoM”)	10 years
Initial CAPEX	SEK 3.5 billion
Targeted financing	c. 60% project financing
Milled tonnes per annum at full run-rate	3 million
Total copper production during LoM	c. 300kt
Average grades during LoM	1.15% Cu
Copper price per tonnes	USD 9.000
Average C1 Cash costs during LoM (net of by-products)	USD 3.900 per tonnes

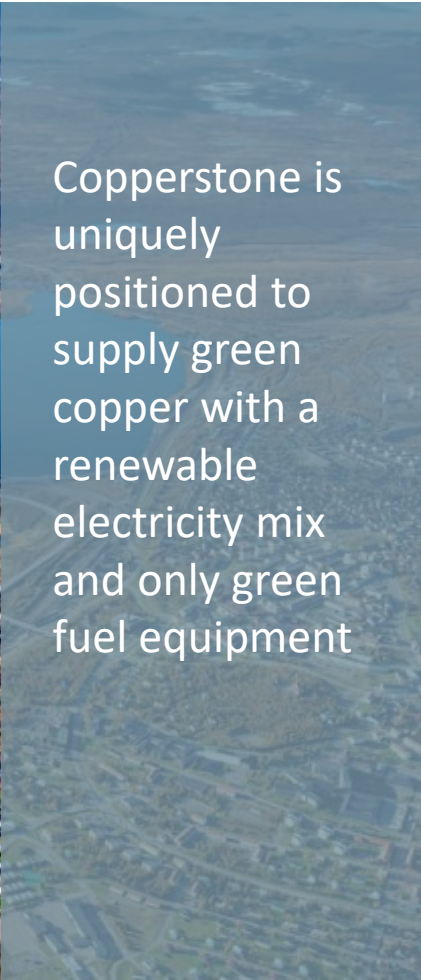


# Investment highlights

The six key points of today



The copper market is growing, fueled by green sector demand, and supply shortage is increasing




Copperstone is uniquely positioned to supply green copper with a renewable electricity mix and only green fuel equipment



Large deposit at an attractive location well suited for mining and with an existing infrastructure to enable efficient operations



Permit process well under way – First copper directly after environmental permit has been received, full production from own processing plant planned for 2025



Attractive and resilient business case – SEK ~0.85bn in net profit and can withstand a Copper price drop of ~45%



Experienced team with world-class mining and local knowledge to deliver



# 05. Appendix





# Copperstone in a nutshell

727,000 tonnes of copper<sup>1</sup> and 9 Mton iron<sup>1</sup> with an average copper grade of 1.2% Cu corresponding to 2x world average and almost 5x the copper grade of Aitik

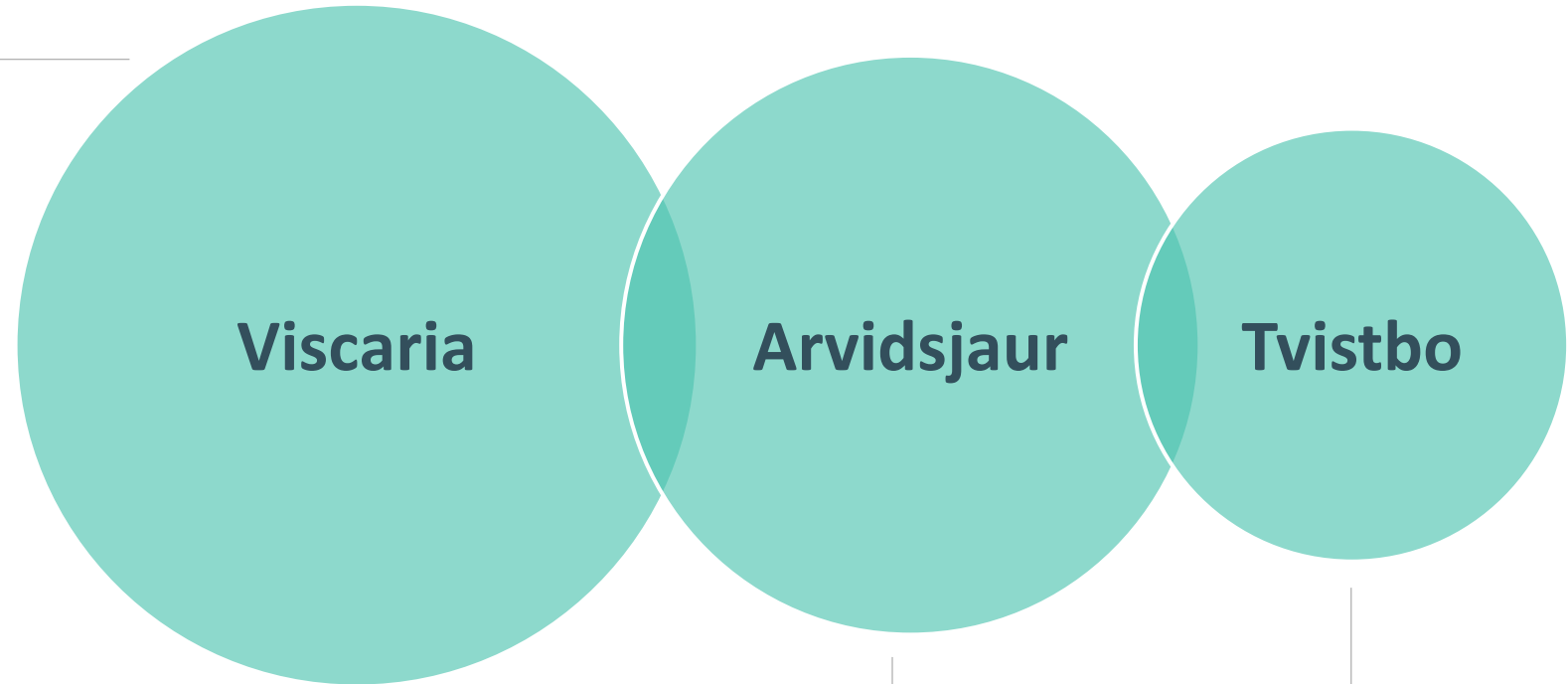
Brownfield deposit near surface

Three exploitation concessions and regional exploration permits in a premier jurisdiction (Sweden)

Superb infrastructure and access to green hydropower

Acquired from Lundin in 2010; includes Granliden, Svartliden, EVA and regional exploration potential

Two exploitation concessions. Resource basket includes 114,000 tons copper, 2 tons gold, 155 tons silver and 30,000 tons zinc



High-grade (0.6 Mton) zinc, silver and lead exploitation concession in brownfield area

<sup>1</sup> Please refer to [www.copperstone.se](http://www.copperstone.se) for detailed information on tonnages and grades in each class and zone respectively of the reported mineral resources.



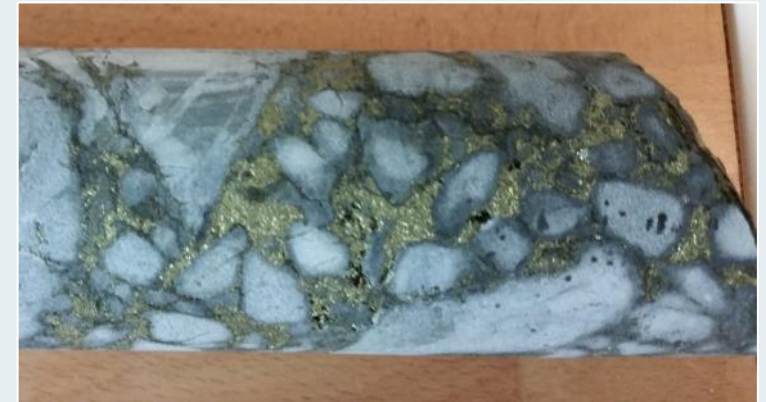
# Taking a closer look at the Arvidsjaur Project

## Resources and mineralization potential

- ✓ Active exploration, 46 km exploration drillings; 50 years exploration history at the property; Lundin Mining, Copperstone and Boliden - 273 drill holes
- ✓ The Arvidsjaur property also has Gold, Zinc and Silver as contribution
- ✓ Both the Mining Inspector and County Administration Board have approved the Arvidsjaur Project and two exploitation concessions have been awarded; co-existence possible
- ✓ Current Mineral Resources (code compliant PERC 2017)
  - **Granliden/Svartliden inferred resources of 114k tonnes Copper, 2,000 kg gold, 155,000 kg silver and 32k tonnes zinc**
  - **Large scale potential; additional 150-210 million ton exploration target (at 0.25-0.45% Cu)**
  - **Historical resources at Eva of 4,992 kg gold and ~120k tonnes zinc**
- ✓ Gold price +250% since Eva deposit was discovered by Lundin Mining
- ✓ So called copper porphyries with billion tonnages in the region (Boliden Aitik 0.22% Cu Europe's largest copper mine plus Au 0.15 g/t; Boliden Laver 0.21% Cu plus Au 0.11 g/t)
- ✓ Potential to deliver significant exploration upside based on the widespread mineralized area
- ✓ Potential remains to unlock additional gold at Eva and Cu Au Ag Zn at Granliden

Source: Copperstone

## Exploration drilling





**COPPERSTONE**  
RESOURCES