

The nomination committee's of Copperstone Resources AB (publ) proposal on resolution on adoption of Incentive program 2022/2025:2 by way of (A) issue of warrants to the subsidiary Copperstone Incentive AB and (B) approval of transfer of warrants to members of the board of directors in the Company (item 12)

The nomination committee in Copperstone Resources AB (publ) reg.no. 556704-4168 ("**Copperstone**" or the "**Company**"), proposes that the general meeting resolves to adopt an incentive program aimed for members of the board of directors in the Company. This is proposed to be carried out by way of a directed issue of warrants to the wholly owned subsidiary Copperstone Incentive AB (the "**Subsidiary**") in accordance with the resolution item (A) below, and transfer to members of the board of directors in accordance with resolution item (B). The resolution items (A) and (B) are mutually conditioned by each other and are resolved upon one resolution.

The nomination committee assesses that it is urgent and in the interest of all shareholders that members of the board of directors in the Company have a long-term interest of a good value development of the share in the Company. A personal and a long-term ownership commitment may be expected to contribute to an increased interest of the Company's operations and results as well as to increase the motivation for, and affinity with, the Company and its shareholders.

Incentive program 2022/2025:2 has been prepared by the nomination committee in consultation with external advisors, whereby members of the board of directors have not participated in relevant parts.

(A) – Issue of warrants to the subsidiary Copperstone Incentive AB

The nomination committee propose that a directed issue of warrants is carried out on the following terms:

- 1 No more than 15,000,000 warrants of series 2022/2025:2 shall be issued.
- 2 The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, only accrue to the Subsidiary. The intention is that the warrants afterwards shall be transferred to members of the board of directors in the Company in accordance with what is stated in resolution item (B). The reason for that the issue is proposed to deviate from the shareholders' preferential rights is therefor to create incentives for members of the board of directors to at all times work for the Company's positive development since these possess key roles in the Company and thereby constitutes an important part of the Company's continued operations.
- 3 The warrants are issued without consideration.
- 4 Subscription of warrants shall be made on a specific subscription list no later than 20 May 2022.
- 5 Each warrant shall entitle to subscription of one (1) share in the Company to a subscription price per share corresponding to the volume-weighted average price for the share on Nasdaq First North Growth Market's official stock price list during a period of ten (10) trading days ending the day before the Company's general meeting on 18 May 2022, multiplied with 1.5. Subscription of shares by exercising the warrants shall, in accordance with the terms and conditions for the warrants, be possible to carry out up until and including 18 December 2025.
- 6 In the event that all of the warrants are exercised for subscription of shares, the Company's registered share capital will be increased with SEK 1,500,000.
- 7 The terms and conditions, including customary provisions of recalculation with regard to certain events related to the Company etc., which are set forth in Appendix B, shall be applied regarding the warrants.

- 8 A share that has been issued due to exercising, shall entitle to dividend the first time on the record date for dividend immediately after that the exercising has been registered with the Swedish Companies Registration Office and the shares have been registered in the share registered kept by Euroclear Sweden AB.
- 9 The CEO, or the person the nomination committee appoint, shall have the right to make such minor adjustments that may be necessary in connection with registration with the Swedish Companies Registration Office.

(B) - Approval of transfer of warrants to the board of directors in the Company

Further, the nomination committee proposes that the general meeting resolves to approve transfers of warrants to the Subsidiary in accordance with item (A) above and that the Subsidiary is entitled and is obliged to transfer the warrants issued in accordance with item (A) to members of the board of directors in accordance with the general meetings’ resolution hereby. The following shall apply with regard to the Subsidiary’s transfer of warrants in Incentive program 2022/2025:2:

The subsidiary shall transfer no more than 15,000,000 warrants in total to members of the board of directors (or wholly owned companies by these persons) in the Company with the distribution stated below.

Position / Categories	The number of warrants
Chairman of the board	Maximum 5,000,000 warrants
Other members of the board, excluding such member participating in the incentive program for management and key personnel proposed at the same time	Maximum 2,000,000 warrants per person

A member of the board who is also participating in the now proposed incentive program for management and key personnel proposed by the board, shall not be eligible to participate in this incentive program.

The warrants shall be transferred on market-based terms to a price determined on the basis of the calculated market value for the warrants at the time for transfer, by an application of Black & Scholes valuation model (options premium). The calculation of the option premium to members of the board of directors shall be made or controlled by an independent valuation expert or shall be made on the basis of the expert’s valuation.

Further, a so-called offer of first refusal-agreement, shall be entered into, according to which the warrant holder shall be obliged to offer the Company to acquire the warrants, or a certain part of these, under certain conditions.

Dilution

Based on the current number of shares in the Company, the dilution as a consequence of the proposed incentive program, with the assumption that all warrants will be exercised for subscription of shares, will not exceed 1.5 per cent of the shares and votes in the Company (not included the dilution which may arise as a result of the proposed incentive program for management and key personnel and the Company’s current incentive programs).

See below for further information regarding the total potential dilution as a result of the Company’s proposed and current incentive programs.

Costs for the incentive program and effects to important key figures

The incentive program 2022/2025:2 has been prepared in consultation with external advisors and the total cost for this advice is not expected to amount to noteworthy amounts. Beyond the costs for advisors, the nomination committee assess that the incentive program will cause some administrative costs in connection to subscription of shares by exercising of the warrants and registration with the Swedish Companies Registration Office.

The stated dilution above refers to in relation to the Company's key figure the dilution of the number of shares, and finally affects relevant key figures first if the Company's value has risen so much that exercising is carried out during the maturity period. In such a case, the dilution should be counteracted by the fact that the Company, in the event of full exercising, would (based on current share price) be added an amount of SEK 27,000,000.

Earlier incentive programs in the Company

The Company has currently some ongoing share-related incentive programs which include management, and some ongoing share-related incentive programs which include members of the board of directors, which are presented below.

On the annual general meeting 14 May 2019, it was resolved to adopt an incentive program for management as well as to adopt an incentive program for members of the board of directors. The incentive program for management included a total of 1,500,000 warrants and the incentive program for members of the board of directors included a total of 4,500,000 warrants. Both the incentive program for members of the board of directors and the incentive program for management has a maturity of three years. By way of a resolution on the extraordinary general meeting held 29 September 2020, a reorganisation of the terms and conditions for parts of the incentive program for management was carried out to adapt the warrant terms and conditions for a total of 1,000,000 warrants, in order to comply with what was agreed with some later added warrant holders, at which subscription price and maturity for the warrants were adjusted. Each warrant in both incentive programs resolved on the annual general meeting 2019 currently entitles to subscription of one share after recalculation due to issues carried out, to a strike price of SEK 0.99 per share and a maturity expiring 14 May 2022. Each warrant under the incentive programs, of which the terms and conditions were adjusted on the extraordinary general meeting 29 September 2020, currently entitles to subscription of one share after recalculation due to issues carried out, to a strike price of SEK 0.66 per share, and a maturity expiring 12 December 2022 and 14 January 2023, respectively.

On the annual general meeting 20 May 2020, it was resolved to adopt an incentive program for management as well as to adopt an incentive program for members of the board of directors. The incentive program for management included a total of 7,250,000 warrants and the incentive program for members of the board of directors included a total of 9,000,000 warrants. Both the incentive program for members of the board of directors and the incentive program for management has a maturity of three years. By way of resolution on the extraordinary general meeting 29 September 2020, a reorganisation of the terms and conditions for parts of the incentive program for management and parts of the incentive program for members of the board of directors was carried out to adapt the warrant terms and conditions for a total of 6,350,000 warrants, in order to comply with what was agreed with some later added warrant holders. Each warrant in both incentive programs resolved on the annual general meeting 2020 currently entitles to subscription of one share due to issues carried out, to a strike price of SEK 0.73 per share with a maturity expiring 20 May 2023. Each warrant for the incentive programs, of which the terms and conditions were adjusted on the extraordinary general meeting 29 September 2020, currently entitles to subscription of one share after recalculation due to issues carried out, to a strike price of SEK 1.17 per share and with a maturity expiring 24 July 2023.

On the annual general meeting 19 May 2021, it was resolved to adopt an incentive program for management and key personnel, including 10,000,000 warrants, as well as an incentive program for members of the board of directors, including 15,000,000 warrants. The incentive programs have a maturity of three years, respectively. Each warrant in the incentive programs currently entitles to subscription of one share due to issues carried out, to a strike price of SEK 1.27 per share, with a maturity expiring 20 December 2024. The 1,860,000 warrants under the incentive program for management and key personnel, that have not been transferred to management and key personnel during the subscription period, as well as 2,750,000 warrants under the incentive program for members of the board of directors that have not been resold to members of the board of directors, have been withdrawn for cancellation. Thus, a total of 4,610,000 warrants have ceased to have a potential dilution effect.

All of the Company's warrant programs are presented on the Company's website.

In the event that the incentive program in accordance with the nomination committee's proposal above as well as the board of directors' proposal regarding incentive program aimed for management and key personnel, would be fully implemented within the now intended frames, the total numerical dilution together with the today existing warrant programs, will not exceed 5 per cent.

Majority requirements

Resolution to adopt incentive programs according to the above stated, is covered by the rules for the board of directors and management in Chapter 16 of the Swedish Companies Act (2005:551), which, in order for a valid resolution, requires that the proposal under this item is supported by shareholders representing no less than nine tenth (9/10) of both the votes cast as well as of the shares represented at the general meeting.
