

Update on the Development of the Blötberget Project

In the Q1 report, Nordic Iron announced the decision to pause project financing for the Blötberget mine development in order to conduct a strategic review of the project. This review has identified several significant opportunities to enhance both the design and operational approach of the planned mine. These improvements are expected to significantly improve the project's overall profitability while also substantially reducing its environmental footprint. In parallel with the strategic review, ongoing exploration activities have led to several promising discoveries of magnetite and hematite mineralizations. The Company believes these findings increase the likelihood of an improved mineral resource estimate for the project. As a result, the definitive feasibility study led by WSP has been revised into a preliminary feasibility study, with the aim of integrating these enhancements into the Blötberget project. The Company believes this will establish a much stronger foundation for future project financing.

During the year, it has become clear to the Company that securing project financing for the Blötberget mine development at its current scale would be very difficult under reasonable terms. The Company therefore initiated a strategic review of the Blötberget project with the objective of improving its profitability and resilience in advance of future project financing. Preliminary outcomes of the review indicate a number of improvements in mine design and planned mine operations that are expected to strengthen the project's economic fundamentals and its ability to withstand short-term market fluctuations.

By revising the mining method, there appears to be potential to increase both annual production volumes and extract more ore from the same deposit. The revised mining method would utilize tailings sand from the beneficiation plant as backfill material in the mine – a solution that offers considerable advantages. This approach could potentially eliminate the need for surface deposition of tailings, resulting in significant cost savings and substantial environmental benefits in the vicinity of the mine. Water management is also being re-evaluated by the Company, with the aim of establishing a more or less closed water system. This would reduce water purification costs and avoid the discharge of water into nearby water bodies.

The exploration program initiated in 2024 has been expanded following the discovery of highly promising mineralizations at depth. These findings suggest good potential to extend the current mineral resources, particularly if continuity can be confirmed between the new deeper zones and the known shallow mineralizations. Nordic Iron assesses that continued exploration provides a good opportunity to improve the mineral resource estimate for the Blötberget project. A larger mineral resource base would represent a fundamental enhancement to the project and would positively influence the prospects for future project financing.

In summary, the strategic review has identified multiple opportunities to improve the project's profitability through increased production capacity, reduced capital expenditures, and lower environmental footprint. To fully realize these opportunities, WSP's definitive feasibility study has been revised into a preliminary feasibility study focused on the new design concepts. The revised study is targeted for completion before the end of the year, subject to the timeline and outcomes of the ongoing exploration program.

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About Nordic Iron

Nordic Iron is a mining company focused on the Ludvika region. The company plans to produce an ultra high-grade iron ore concentrate with a low carbon dioxide footprint, with a focus on fossil-free iron and steel production. Nordic Iron is actively pursuing critical raw materials like phosphorus and rare earth elements as possible by-products, contributing to society's green transition.

For more information, see www.nordiciron.se.

Nordic Iron Ore's shares and warrants are listed at Nasdaq First North Growth Market. Wildecos is the company's Certified Adviser

Attachments

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