



Nordic Iron Ore Annual Report 2017

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EU-sponsored research projects

Horizon 2020 and ERA-MIN are umbrella terms for a number of research and innovation projects sponsored by the EU. The projects cover many different industries, and Nordic Iron Ore has been part of the applications for a number of projects oriented on mining exploration, three of which were approved by the EU. The first of these approved research projects that Nordic Iron Ore was part of finished in 2017, and the other two began at year-end 2017.

The Smart Exploration project, led by Uppsala University, formally began on 1 December 2017. Nordic Iron Ore is part of the project, in partnership with 27 other participants including Ludvika Municipality. In this project, Nordic Iron Ore is managing an activity in which advanced exploration equipment and technology will be demonstrated for the purpose of enhancing the efficiency of exploration.

The next project, AMSTEG, begins in May 2018 and is another exploration project in which alternative equipment will be used. The German company Supracon AG is managing the project, and a further five participants are involved. This project is also intended to develop new technology that will then be tested at NIO's mineralisations, which ought to result in increased geographical information in the areas around the Ludvika mines.

Summary of 2017

2017

JANUARY

- Studies relating to geophysics and geohydrology carried out in preparation for mine planning in the definitive feasibility study.

FEBRUARY

- A new share issue with pre-emptive rights for existing shareholders provided the company with SEK 18.3 million before issue costs.
- Work on estimating mineral resources for the expanded concession area continued.

APRIL

- Consultants were contracted and the work on mine planning and production was begun. The geotechnical studies were completed as part of this work. The models from the geotechnical and hydroecological studies were used as a basis and set the limits for the final mine design and the mining plans.

MAY

- A declaration of intent regarding logistics between the mine and the harbour was signed with Rail Cargo, a subsidiary of the Austrian Federal Railways.

JULY

- DMT submitted the final update of the mineral resource estimate, which increased aggregate resources by approximately 15 per cent.

AUGUST

- The exploitation concession application for an area immediately to the north-west of Blötberget was approved by the Mining Inspectorate of Sweden.

DECEMBER

- The Mining Inspectorate of Sweden granted the company's exploitation concession application for the Södra Väsman field.
- A draft report concerning the mine design mine was presented.

Nordic Iron Ore in brief

Vision

Nordic Iron Ore will be one of the major Swedish producers of high-grade iron ore products.

Business concept

Nordic Iron Ore's business concept is to own iron ore deposits in the mining district known as Bergslagen either under its own auspices or with other operators, and to develop them into operational mines with sound long-term profitability that can supply high-grade products to steelworks in Europe and other parts of the world.

Strategy

Nordic Iron Ore aims to realise our business concept through:

- Exploring and developing high-grade iron ore deposits
- Creating an efficient, complete solution for mining, concentration and logistics
- Being an attractive business partner providing a high level of reliability of supply for selected customer segments, and having the ability to tailor products specifically to customers
- Producing and marketing a niche product with a very high iron content

Objectives

The company's operational objectives are to:

- Resume mining operations at the Ludvika Mines, with an anticipated annual production of about 4.4 million tonnes of finished product at full operation
- Substantially expand its mineral resources, primarily through continued exploration of the Väsman field
- Obtain the necessary permits for mining operations in the Väsman field
- Sign long-term customer contracts for its entire production volume.

The company's financial objectives are to achieve sustainable profit after financial expenses at a level that is at least on a par with the average for the industry within two years of the start of full-scale production.

Organisation

Nordic Iron Ore has a small organisation with an experienced management team supported by a number of external consultants and consulting firms with extensive experience from similar projects in Sweden.

MINERAL RESOURCES

Mineral resources are classified according to the extent of geological confidence about them as:

Measured mineral resources

A measured mineral resource is the part of a mineral resource for which the tonnage, density, shape and physical characteristics are so well known that they can be estimated with a reliability that is sufficient to accord the application of the technical and financial parameters required for calculating mineral reserves.

Indicated mineral resources

An indicated mineral resource is the part of a mineral resource for which the tonnage, grade and mineral content, density, shape and physical characteristics can be assessed with a reliability that is sufficient to permit the application of the technical and economic parameters required for calculating mineral reserves,

drawing up a mining plan and evaluating the economic viability of the deposits. The estimate is based on detailed exploration and testing data, reliably compiled and gathered through appropriate techniques from locations such as outcrops, trenches, test pits, quarry grindings and drill holes that are sufficiently proximate to each other that it is reasonable to assume geological and grade continuity.

Inferred mineral resources

An inferred mineral resource is the part of a mineral resource for which tonnage, grade and mineral content can be estimated based on geological surveys and limited sampling, and assumed but not verified, geological and grade continuity. The estimate is based on limited information and sampling, gathered by appropriate techniques from locations such as outcrops, test pits, quarry grindings and drill holes.

Current permits and mineral resources

During the year, the company had two additional exploitation concessions granted and now has four concessions in total.

VALID EXPLOITATION CONCESSIONS

NAME	MINERAL	PERIOD OF VALIDITY	AREA (HA)
Blötbergsgruvan K No. 1	Iron, lanthanum, lanthanides and apatite	30-08-2011 – 30-08-2036	126.4
Blötbergsgruvan K No. 2	Iron, lanthanum, yttrium, scandium, apatite	14-08-2017 – 14-08-2042	38.7
Southern Väsman field K No. 1	Iron	20-12-2017 – 20-12-2042	115.4
Håksbergsgruvan K No. 1	Iron, copper, gold and molybdenum	15-12-2011 – 15-12-2036	136.3

The concession areas for Blötberget and Håksberg are also covered by permits pursuant to the Swedish Environmental Code and established municipal zoning plans.

IN ADDITION, THE COMPANY HAS THE FOLLOWING EXPLORATION PERMITS.

PERMIT ID	NAME	PERIOD OF VALIDITY	AREA (HA)
2010:100	Blötberget No. 3	16-06-2010 – 16-06-2018	215.72

MINERAL RESOURCES

PROJECT	MEASURED		INDICATED		INFERRED		CLASSIFICATION ACCORDING TO
	MT	% FE	MT	% FE	MT	% FE	
Blötberget	45.4	41.7	9.6	36.2	11.8	36.1	JORC 2012
Håksberg	–	–	25.4	36.4	11.6	36	JORC
Väsman			7	38.5	85.9	38.4	JORC

Statement from the Managing Director

After several years of work on the definitive feasibility studies, in 2017 we looked forward to completing the underground design of the mine and its production plan over its lifetime. This work, which has the greatest impact on the total costs of the mine project, constituted the most important section of the definitive feasibility study that remained. Funding for these studies was obtained in February 2017 through a rights issue, which provided the company with SEK 18.3 million before issue costs.



Unfortunately, more detailed analyses of data that was previously collected – primarily in 2015/16 – shows that scaling up historical mine operations based on mining technologies adopted in previous studies and the interim report from 2015 was not optimal, which is why alternate mining methods needed to be investigated. This lengthened the work.

The mining method now being applied for the greater part of the mine is a form of backfill mining called post-pillar cut-and-fill (PPCF), supplemented with a limited amount of sublevel open stoping (SLOS). These mining methods enable extraction of some of the smaller iron ore deposits, which significantly increases the amount of mineable iron ore. Despite the extra cost of PPCF, it has the advantage of increasing the quality of the ore mined so that the iron content increases 3–4 per cent over what can be achieved with methods such as sublevel caving and sublevel benching.

Furthermore, supply increased by approximately 15 per cent and included an expanded mining concession area. The application for an increase of the existing exploitation concession in Blötberget was granted by the Mining Inspectorate of Sweden during the third quarter. This means that the expanded area can now formally be incorporated into an update of the mineral resource estimate (MRE) completed and published by DMT.

In addition, the Mining Inspectorate of Sweden granted the company's exploitation concession application regarding iron ore resources in the southern Väsman field. This is an important step in the company's preparatory work on resuming iron ore production in the Ludvika mines, and supports our three-phase plans for developing the measured mineral resources in the Ludvika area. This will enable the company to expand the mineable resources in the region, thereby extending the life of the project. Väsman offers the possibility of rapidly expanding

operations; if this is successful, it will become one of Sweden's more significant iron ore resources.

During the year, Nordic Iron Ore continued its involvement in EU-sponsored development projects regarding exploration after the successful collaboration between Uppsala University and Nordic Iron Ore in the ERA-MIN project. The first of the EU's sponsored research programmes in which Nordic Iron Ore is taking part – "Smart Exploration" formally began on 1 December 2017. Nordic Iron Ore is involved in the project, led by Uppsala University, together with 27 other partners including Ludvika Municipality as a part of the Horizon 2020 programme.

In this project, Nordic Iron Ore is managing an activity in which advanced exploration equipment and technology will be demonstrated. The other project – Leading Edge Exploration – is another exploration programme in which alternative equipment is being used, which should also increase information about the local region. The project has been granted funding and is expected to begin in May, 2018. Smart Exploration and Leading Edge Exploration will result in training in advanced exploration methods and provide access to data that will be valuable once we are (re)developing our mines.

And finally, we signed a declaration of intent this year with Rail Cargo, a subsidiary of the Austrian state-owned company ÖBB, regarding future transportation of iron ore from our mines to the port in Oxelösund. This is an important step forward, in which Rail Cargo will make all the necessary investments to ensure efficient logistics.

Regarding market conditions, the iron ore market experienced a significant turn during 2017, when long-term premiums for high-quality iron ore, such as that produced by Nordic Iron Ore, were reintroduced. The iron ore price for 62 per cent Fe has stabilised between USD 55–80 per tonne, while the premium for every percentage point of Fe over 62 per cent increased from USD 0.50 to USD 4–6. This means that the premium for Nordic Iron Ore's potential average product of 69 per cent Fe increased from around USD 3.50 per tonne to around USD 35 per tonne at the end of 2017. Given the limited global access to high-quality ores, this provides us with good market conditions now that we are developing our mining projects.

Going forward, we will now secure long-term financing for Nordic Iron Ore. This will take place, and also include a listing of the company's shares with the aim of expanding the shareholder base.

Paul Marsden
CEO Nordic Iron Ore

Market and products

Steel is the most important metal in economic terms, with annual sales exceeding USD 250 billion.

The market

Iron ore prices continued to defy most analysts' forecasts in 2016 and 2017, with average prices for 62 per cent Fe at around USD 73 per tonne. These prices were supported by continued slow increases in available ore, since larger suppliers have not increased production but instead focused on increased productivity and cost reduction. At the same time, a number of iron ore mines remained closed due to considerable speculation about future iron ore prices.

Moreover, China has taken political decisions that have substantially changed dynamics in the iron ore market, mainly as a result of China's efforts to improve environmental controls. The effect on the iron ore market has been substantial, since China is now beginning to close old, inefficient and polluted steelworks — which also include steelworks close to cities. The immediate effect is reduced growth in steel capacity and reduced demand for iron ore. Additionally, imports of iron ore have decreased. Another aspect of the changed policy is low quality iron ore, which

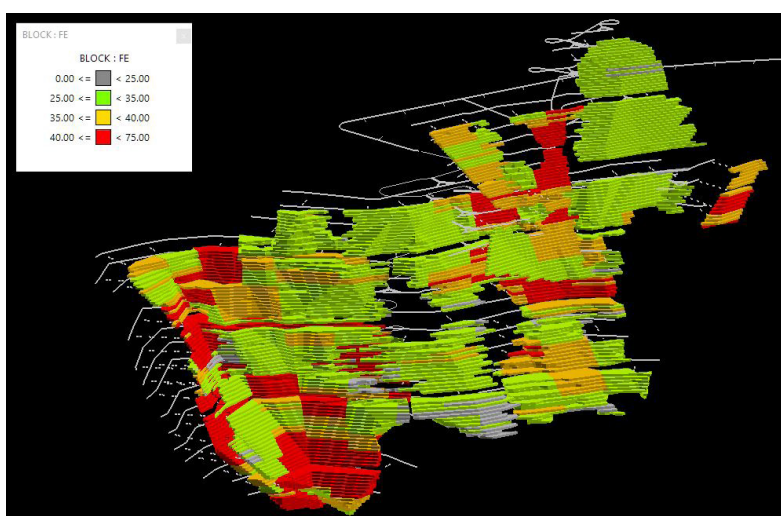
is largely produced in China, and a number of imports of lower quality (<60 per cent Fe) containing other minerals that also need to be smelted, which requires additional energy (coal and coke), thereby increasing air pollution. As a consequence, several mines in China have been closed because their operating costs were too high, caused too much pollution or produced ore of too low quality. The total annual production of iron ore, restated to the equivalent 63 per cent Fe or higher, is reported to have decreased from 350 million tonnes in 2012 to nearly 100 million tonnes in 2017.

Furthermore, the discount on iron ore under 62 per cent Fe has increased markedly; there are examples of up to 40 per cent discounts on iron ore with 56 per cent Fe. At the same time, the premium on iron ore with over 62 per cent Fe increased from less than USD 1 per tonne and percentage point up to USD 7 per tonne and percentage point. This means that NIO's type of iron ore product, with 69 per cent Fe, has gone from a premium under USD 7 per tonne to premiums as high as USD 49 per tonne. In April 2018, the premium was USD 6 per tonne and percentage point, equivalent to USD 42 per tonne for NIO's product, but certain industry operators believe that the long-term premium for NIO's iron ore will be USD 15–25 per tonne.

Increased demand for high-quality steel, production efficiency and decreased environmental impact will over time impact the entire manufacturing chain. As expected growth in the supply of high-quality iron ore (over 66 per cent Fe) is limited, it is likely that the premium will remain.

Product quality

NIO will be able to produce products with over 71 per cent iron content, but the average is expected to be 69 per cent. This will be one of the world's leading iron ore products. Demand for NIO's quality is considerable and is increasing, especially in Asia where the use of pellets is the main solution for enhancing production efficiency and decreasing environmental impact. For example, large amounts of India's ore must be processed into pellets, but this would be supported by first being mixed with high-grade magnetite before pellet processing. A major growth area is pellet processing using direct reduced iron (DRI) processes — a process requiring iron concentrate with a high level of iron content and low levels of impurities. Supplies of suitable iron products are limited, but the products from NIO would be highly suitable for these processors in MENA and Asia.



Mining layout for Blöteberget.

From a production perspective, NIO has the advantage of having planned a thoroughly modern iron ore mine by the end of the definitive feasibility study, in which a large part of the optimisation process had already been carried out during the study phase. This will enable efficiency at the very beginning of the production cycle, thereby promoting increased revenue early on the process.

NIO's first project in Blötberget can be carried out at low cost, and will lead relatively quickly to profitable iron ore production (based on current pricing), in order to expand production over the long term based on existing infrastructure. NIO's strategy will enable lower costs, falling capital requirements during production and the possibility of expanding in a cost-efficient manner. Furthermore, NIO's logistics are a competitive advantage where rail and port infrastructure are in place so as to meet customers' demands for safe, efficient logistics regardless of the time of year or where the cargo is to be shipped.

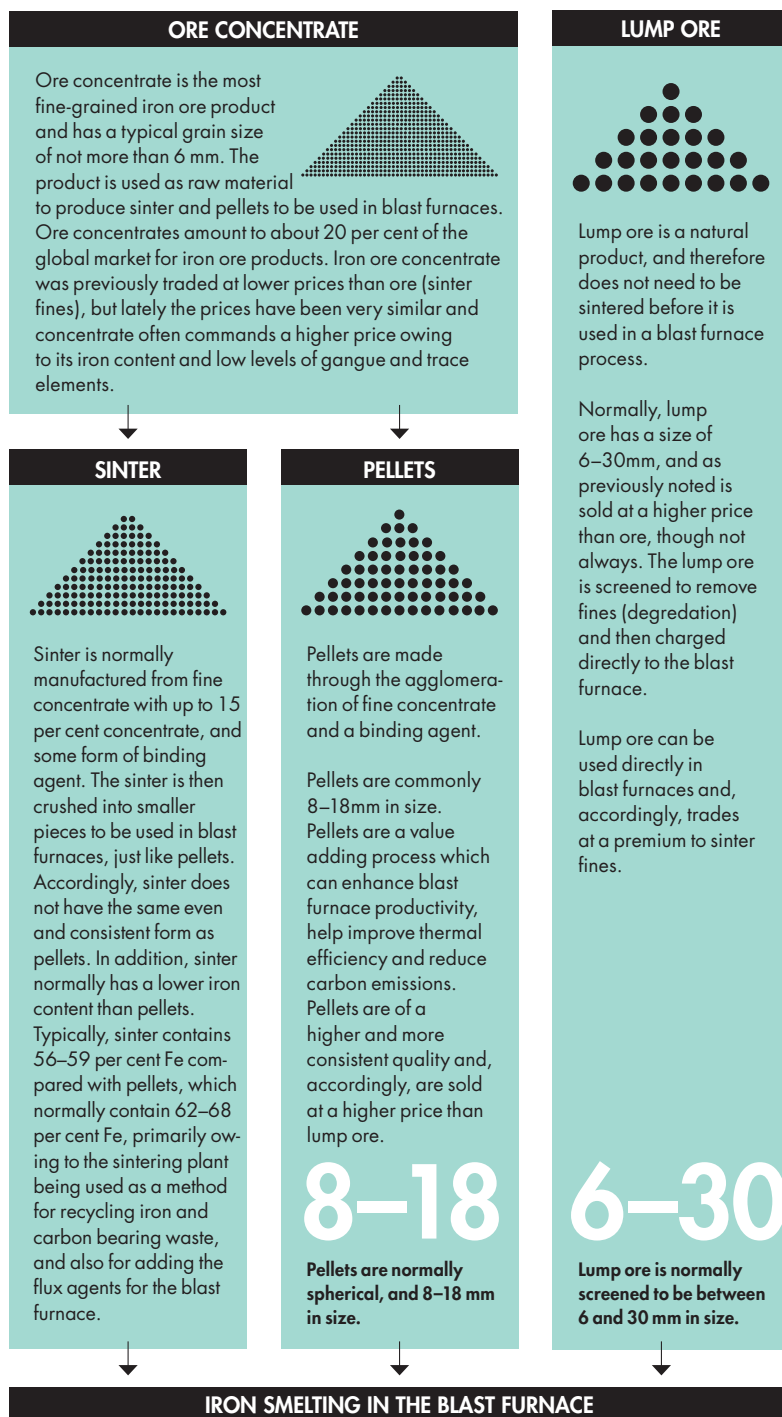
Key factors

In view of the forecast price trend for iron ore, Nordic Iron Ore has identified several critical factors that are decisive for profitable iron ore extraction. The company's observations are general and apply to the market as a whole. The following factors are required for profitable and successful operation:

- Good mine design, with an effective process control and management system.
- Proximity to the market or access to cost-effective transportation, along with access to competitive energy prices
- Production of high-quality iron ore in order to be able to charge premium prices and generate added value in use.
- An efficient production process that minimises operating and maintenance costs for the mine and processing plant, thereby securing satisfactory operating margins for the business.
- Support from stakeholders and CSR (Corporate Social Responsibility) — form good relationships with stakeholders and ensure healthy work environment and environmental conditions.

The work in these key areas are described in more detail in the Strategic Positioning section.

SOURCE TEXT: COMMODITY SPECIAL FEATURE FROM
WORLD ECONOMIC OUTLOOK OCTOBER 2015,
INTERNATIONAL MONETARY FUND.



Nordic Iron Ore plans to produce ore concentrate intended for the production of pellets or sinter with a high iron content.

Strategic positioning

The simple rule for profitable iron ore extraction is to deliver ore from the ground to the customer at a competitive price and at a cost that allows for a profitable business. With access to good-quality iron ore, which is in abundance in Bergslagen and in the Ludvika area, it is currently possible to conduct cost-efficient production using the right extraction and processing technology.

Nordic Iron Ore is well aware of the challenges that the iron ore industry is facing, as well as the importance of being well prepared for both upturns and downturns in the market. Nordic Iron Ore is therefore working on establishing a modern corporate structure. In our view, there are three key areas that must be optimised to ensure a successful business: logistics, product quality and production efficiency.

Logistics

One requirement for Nordic Iron Ore's competitiveness is access to a cost-effective transport system that can deliver products to the market with the least possible handling and at low cost. Since iron ore is not a perishable commodity, price is more important than rapid transport. The logistics chain must therefore work properly so that customers can receive their raw material when they need it. Thanks to the location of the ore resources, Nordic Iron Ore has the advantage of being able to make use of existing facilities from earlier mining operations, which means that everything is in place to be able to conduct Just In Time deliveries.

Nordic Iron Ore has access to an existing modern and efficient railway system, something most of its competitors lack. The mine infrastructure has been in place since 1878 when the TGOJ line between Grängesberg and Oxelösund was completed, enabling the transport of ore from the Gränges mine to the deep-water port in Oxelösund. In Oxelösund, the ore is loaded onto ships in the port that is ice-free all year round and, at a depth of 16.5 metres, can receive the largest (loaded) bulk carriers that can enter the Baltic. Nordic Iron Ore's advanced logistics chain is the foundation for cost-effective transport of iron ore to

its customers, even on the other side of the world. In May 2017, Nordic Iron Ore signed a declaration of intent with the Austrian state-owned company Rail Cargo Austria AG (subsidiary of state-owned ÖBB) for future rail deliveries from the mine in Blötberget to the port in Oxelösund. Rail Cargo will also assist Nordic Iron Ore with advice concerning logistics solutions all the way down to the end user.

Product quality

Nordic Iron Ore will stand out in the steel industry as a supplier of one of the highest quality iron ores in the world. Products of the highest quality class with an iron content in excess of 71 per cent can be produced from Nordic Iron Ore's mines. This is positive, since high-class iron ore is generally sold for premium prices compared with lower-quality ore. High-class iron ore reduces the costs of the steelworks' production processes, and carbon emissions from the steelworks are lower given that less fuel is used to smelt non-ferrous minerals. High-grade iron ore also yields environmental benefits by reducing emissions of carbon dioxide, other gases and dust.

Production efficiency

The current state of the mining industry provides Nordic Iron Ore with good opportunities to acquire highly efficient extraction and processing equipment. When producers have a low number of orders on their order books, the prospects are good for acquisitions, which bodes well for the company's possibilities of further lowering its investment costs.

The company's operating costs are also expected to decline as a result of more efficient extraction methods. In connection with the ongoing definitive feasibility study, two pilot tests were performed using ore from Blötberget in order to maximise the product quality and extraction of iron for the products. The company sees opportunities to further reduce operating costs based on these tests.

Sweden already has some of the world's most efficient mining facilities, and equipment suppliers are eager to learn from best practice at these facilities, which is beneficial for Nordic Iron Ore in its work to select efficient equipment and extraction technologies. Sweden is also at the cutting edge of process automation, and the company can therefore leverage all of the existing knowledge and choose technical solutions that allow for a high level of automation in the company's mines and ore concentration plants right from the beginning.

Where Nordic Iron Ore concentrates can be used

	1 Pelletising/ sintering operations	2 Steel mills with a focus on efficiency	3 Small niche markets
Applications:	<ul style="list-style-type: none"> • DR and BF pellet production • Integrated pellet production • High-quality sinter 	<ul style="list-style-type: none"> • Reducing operating expenses • Meeting and exceeding environmental regulations • Value high quality and stable raw materials supply • Strategic supply to end user in order to provide “guaranteed” supply 	<ul style="list-style-type: none"> • Water treatment • Coal washing as heavy media • Heavy ballast/aggregate – pipe coating • High-quality metal powder • Specialist magnets • Lower volumes • Project based
Potential Customers:	<ul style="list-style-type: none"> • Pellet plant operators, integrated steelworks • Markets: Europe, MENA, China, India, Vietnam, Indonesia 	<ul style="list-style-type: none"> • European steel companies, MENA DR pellet suppliers, DR producers in SE Asia, typically steel operators in Japan, South Korea, India, Taiwan, Iran, etc. • Markets: Europe, India, Japan 	<ul style="list-style-type: none"> • Predominantly in Europe
Feasibility:	<ul style="list-style-type: none"> • Sinter production to improve Fe content 	<ul style="list-style-type: none"> • Integrated steelworks as part of quality and environmental improvements 	<ul style="list-style-type: none"> • Steelworks to assist with improvements to meet environmental legislation

Project development and planning

With the start of the Feasibility Study for Blötberget, Nordic Iron Ore has initiated the last part of the planning phase. Once this study is completed and financing is secured, the design and construction of the plants prior to production can begin.

Nordic Iron Ore has all the permits required for the extraction of ore in Sweden, which is primarily regulated by the Minerals Act and the Environmental Code. The permits required for the development process are usually an exploration permit, a mine concession and an environmental permit. In addition, planning permission issued by the relevant municipality is required.

Exploration and evaluation

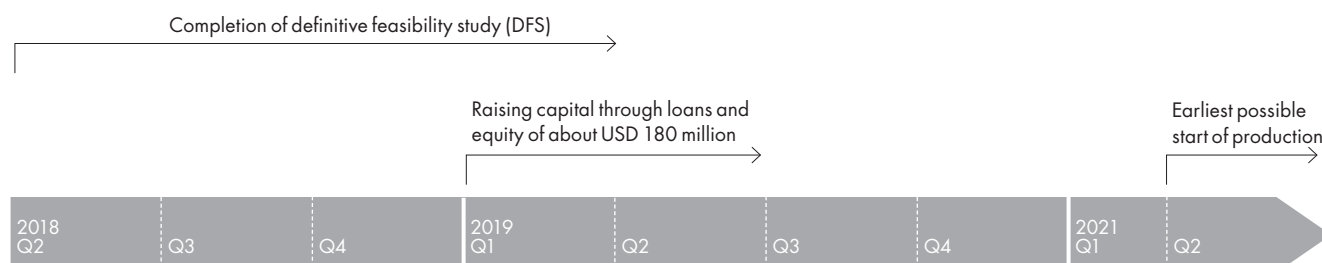
In order to localise deposits and increase and upgrade its mineral resources, the company is operating a continuous programme of exploration throughout the entire development process. This is carried out through core drilling and geophysical surveys. When knowledge about a mineralisation is sufficiently advanced, the mineral resources are estimated, which then forms the basis for the estimation of mineral reserves and the further evaluation of the deposit.

Evaluation

A mineral deposit is normally evaluated in a series of steps involving an increasing level of detail. These aim to obtain more detailed knowledge of the prerequisites for conducting profitable mineral extraction. The initial study forms the basis for preparing the application to the Mining Inspectorate of Sweden for a mining concession. Then, the next stage usually commences — a Preliminary Economic Assessment (PEA) or a Preliminary Feasibility Study (PFS). A Feasibility Study (FS) then follows, which forms the basis for an investment and production decision.

Project planning and construction

After obtaining an extraction concession, generally the project planning along with large-scale test mining and ore processing tests begin. The construction and installation of plants is normally initiated after the environmental permit has been obtained, an investment decision has been made, and the requisite funding has been secured. After the start of production, a period of running adjustments is normally required before the mine and ore processing plant reach full capacity.



Financing and start of construction

Additional capital is needed to restart production at the Blötberget mine. The proceeds from the rights issue at the beginning of 2017 were used to finance the important DFS activities for planning mining and production. Completion of this work took longer than planned, but the outcome strengthens the perception that the project has the conditions to become profitable. During the spring of 2018, Nordic Iron Ore plans to raise additional capital in order to finance the completion of the DFS and cover costs for the build-up of the organisation ahead of the start of construction and market listing.

Multi-stage projects

Efforts are currently focused on the restart of the Blötberget mine. This is the first stage (Phase 1) of three, and will only be started following completion of the ongoing DFS. Previously completed parts of the study show promising prospects, with high product quality and low processing costs, as well as low transport costs which are equally important. The DFS will provide information for determining the costs of operation and investments with greater precision.

Expansion of operations to Phases 2 and 3, which comprise the Väsman and Håksberg sub-projects, will benefit from the mining facility and ore concentration plant set up in Phase 1, as well as the surrounding infrastructure. This means that these subsequent steps will thus require significantly lower investments than if they had been independent mining projects.



View to the north from the headframe at Blötberget

Project Ludvika Mines

Ludvika Mines is the collective name for a development project in three stages starting at Blötberget. It comprises the deposits at Blötberget, the Väsman field and Håksberg in the vicinity of Ludvika, a vein roughly 15 kilometres long containing various types of iron mineralisations.

Nordic Iron Ore intends to resume mining operations at Ludvika Mines which, when in full operation, are expected to have an annual production of approximately 4.4 million tonnes of concentrate with an average iron content of between 66 and 70 per cent. Profitable production requires integrated and optimised mines and processing facilities, as well as logistics solutions that guarantee an optimised, integrated delivery of iron ore to customers.

The mine

The existing production infrastructure with shafts and drifts will be rebuilt or upgraded to allow for modern mining operations with much larger machines than those used in previous mining periods.

The mine's transportation system will be supplemented with a new, sloping daylight ramp/inclined trackway that will transport the crude ore in conventional 50-tonne trucks from the mining area to the new industrial district at Skeppmora, where construction of the central concentration plant is being planned. The inclined trackway (the "decline") will be built with a 1:7 incline (14%) and will be just over 4 kilometres long. It will be the main artery in the mine, on which all ore, gangue and other materials will be transported with the most energy-efficient trucks in the market. It will also serve as the main communication route between the mine and the new industrial district above ground as regards personnel, input materials, the media and evacuation of used air.

Ore concentration plant

The projected ore concentration plant will include crushing and grinding with magnetic and gravimetric separation, as well as flotation, dewatering and conveyance to the product silo at the railway terminal.

Rail terminal

The product unloading terminal for the ore train, consisting of a loading silo and a marshalling yard for receiving and dispatching the ore trains, is located directly adjacent to the concentration plant in Skeppmora. The switch from the existing main line that leads to the product unloading terminal and its marshalling yard is located level with Skeppmora, just north of the village of Torsbovallen. The zoning plan for the rail terminal, which was done under the direction of the Swedish Transport Administration, is complete and forms an integral part of the logistics section in the DFS.

Tailings dam

The company intends to locate the tailings dam directly adjacent to the previously used tailings dam at Blötberget, located south-west of the planned industrial district in Skeppmora. The water contained in the deposited tailings will be collected in a settling basin and recirculated from there via a pipeline to the ore concentration plant, where it will be reused in the ore concentration process.

The planned tailings dam covers the area around and on top of the old dam and is sufficient for the entire anticipated volume of tailings from the mining operations at both Blötberget and Håksberg. The mining method finally chosen for extraction of ore at Blötberget assumes that around half of the waste produced (the tailings) from concentration will be brought back to the mining space as fill. This will result in the size of the dam being significantly reduced, or that the lifetime of the planned dam will be drastically increased. The expansion will occur in stages from an initial dam to its finished size, equivalent to the maximum utilised construction under the environmental permit.

Port

The company has an agreement in principle with the Port of Oxelösund and is now ready to receive ore trains for transshipment to Panamax vessels and/or interim storage of the ore products. Only minor investments are required, for which the Port will be responsible.

Ludvika Mines – Three sub-projects

The development of Ludvika Mines will follow an established plan in which a number of steps must be completed before any mining operations can be initiated. Construction for the project will only commence once the ongoing DFS for Blötberget has been completed and the necessary financing has been secured.

Initially, mining will start at Blötberget with an annual production of 1.3 million tonnes at full operation. Given this rate of production and its current measured, indicated and inferred mineral resources, Blötberget is estimated to have a potential life of at least 12 years. When mining starts in the Väsman field and later in the Håksberg field, the life of the project will be extended considerably.

Blötberget

The deposits at Blötberget consist mainly of five mineralised bodies with varying magnetite and haematite content. The exploitation concession was granted by the Mining Inspectorate of Sweden on 30 August 2011. It runs for 25 years with the option of an extension, and entails the right to extract and exploit iron, lanthanum, lanthanides and apatite. An environmental permit was granted in 2014.

In 2016, extensive tests were conducted for optimising metallurgical concentration, on a laboratory and pilot scale, of a total 20 tonnes of crude ore at GTK in Finland, and SGA and Weir Minerals in Germany.

The tests indicated the possibility of preparing products with an average iron content of nearly 70 per

cent, and a combined concentrate mix of magnetite and haematite of nearly 69 per cent. This means that the quality of the product is among the highest in the world.

Väsman

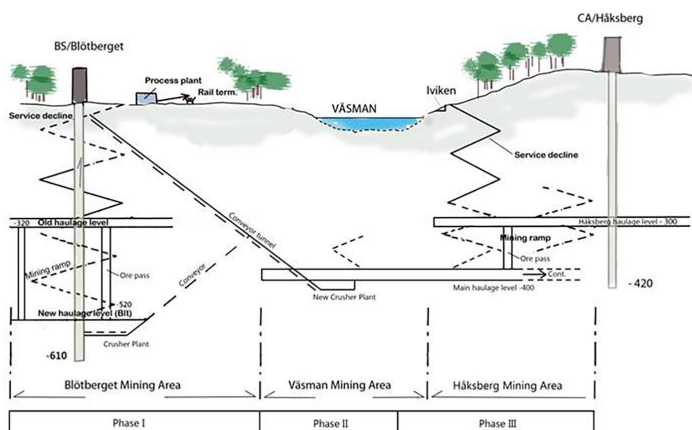
The Väsman field provides Nordic Iron Ore with an interesting expansion opportunity. The field is a direct continuation to the north of the iron mineralisations at Blötberget and Finnäset, and a southerly continuation of the Håksberg mineralisations. This means that the company can capitalise on its geographical location in terms of both logistics and infrastructure, and in the future, the three fields can potentially be mined from a common drift system.

In 2012, Nordic Iron Ore carried out a limited core drilling campaign which formed the basis for the mining concession application submitted to the Mining Inspectorate of Sweden in 2015 for the southern part of the Väsman field. The campaign comprised approximately 10,000 meters of core drilling, and the drilling results show that in these limited parts of Väsman, down to a depth of around 300 meters, there are indicated and inferred mineral resources of around 7.0 million tonnes with 38.5 percent iron content and 85.9 million tonnes with 38.4 per cent iron content.

Håksberg

The mineralisations at the Håksberg field occur in four elongated parallel zones, from Iviken by Lake Väsman in the south to Källbotten in the north. The iron oxide minerals are comprised of around 80 per cent magnetite and 20 per cent haematite. The indicated mineral resources at the Håksberg field down to the 350 metre level have been estimated at 25.4 million tonnes with an average iron content of 36.4 per cent. Previously completed drilling campaigns indicate that the potential for identifying additional tonnage at depth is substantial. Below the 350-meter level, historical deep-hole drilling down to around 800 meters suggests that the ore bodies continue to depth. Current mineral resource estimates at a shallower depth indicate at least 11.6 million tonnes with an iron content of around 36.0 per cent.

The company's application for a mining concession was granted by the Mining Inspectorate of Sweden on 15 December 2011. The mining concession provides rights to extract and exploit iron, copper, gold and molybdenum for 25 years, with the option of an extension. An environmental permit was granted in 2014.



Sustainability

Sustainable development means satisfying humanity's needs today in a way that does not prevent future generations from satisfying their needs.

More specifically, this entails the long-term conservation of the production capacity of the Earth's water, land and ecosystems and minimising negative impacts on the environment and human health. Sustainable development can be divided into three areas:

- Economic sustainability — economising with human and material resources in the long term.
- Social sustainability — building a stable but dynamic society that is sustainable over the long term within which basic human needs are met.
- Environmental sustainability — economic growth adapted to what the environment can tolerate without leading to environmental destruction.

Nordic Iron Ore's stated objective is to minimise its impact on the environment, local residents and the community at large, and to contribute to sustainable development. Matters relating to the environment and sustainability are therefore crucial in the planning of the company's operations. Over time, the company intends to certify its operations in accordance with ISO 14001, and intends its environmental work to use the environmental objectives of Dalarna as its beacon.

Management of sustainability efforts

Nordic Iron Ore's efforts to minimise damage to the natural environment and contribute to sustainable development are based on the policies and guidelines adopted by its Board of Directors. The principles of the UN Global Compact are an important framework for these efforts. Ultimate responsibility for Nordic Iron Ore's sustainability efforts rests with the Board, while operational responsibility for monitoring targets and prioritised activities rests with the company's management.

Nordic Iron Ore's policies and guidelines

Sustainability policy

The basic principles governing how the company's operations are to be conducted in an economically, environmentally and socially sustainable way.

Personnel policy

The basic principles governing an employee's right to employment that develops the employee involve

taking responsibility in a working environment characterised by safety and security, and respect for and confidence in each and every employee.

Environmental policy

Basic principles that provide guidance to ensure that the company's total environmental impact and resource consumption are as low as possible and contribute to sustainable and profitable development through continuous improvement.

Code of Conduct

A set of rules providing guidance on the company's responsibilities and conduct as a good business partner, employer and corporate citizen. The company has prioritised three areas in its environmental work:

- Minimising the impact on the natural environment in its sphere of operations
- Minimising emissions to the air and water
- Creating a safe working environment

Environmental permit

Carrying on permanent mining operations requires permits from the Land and Environment Court in accordance with the provisions of Sweden's Environmental Code, which establishes requirements regarding emissions to the air and water, noise, and the management of waste and hazardous substances. The application for a permit is accompanied by a comprehensive environmental impact assessment, the purpose of which is to identify and describe the direct and indirect damage that the planned operations could cause to humans, animals, plants, land, air, water, the climate, the landscape and the cultural environment. The application also covers management of land, water and the physical environment in general, as well as economising with materials, raw materials and energy.

On 20 March 2014, the Land and Environment Court at Nacka District Court handed down its judgement in support of the company's application for an environmental permit. In 2015, an important condition of the judgement was met when the County Administrative Board in Dalarna approved the company's compensation plan for natural values that will be lost at the restart of production at the Blötberget and Håksberg mines. The judgement also required the establishment of a restoration fund which will be built up over time, with a first major allocation as soon as the permit is made use of through the commencement of construction works on the plants.

Share Capital and Ownership

Share capital

The share capital at the end of the financial year totalled SEK 19,013,563 distributed among 109,636,650 shares, with a quotient value of SEK 0.1734 per share. The company's Articles of Association stipulate a share capital of not less than SEK 17,100,000 and not more than SEK 68,400,000, and a maximum number of shares totalling 396,000,000. No limitations apply to the transferability of shares under the Articles of Association or applicable legislation.

Ownership

On 31 December 2017, the number of shareholders was 3,461 physical and legal persons, of which the three biggest owners were Bengtssons Tidnings AB, Ludvika Holding AB and Copperstone Resources AB.

Shareholder agreements and separate agreements

To the best of the company's knowledge, no shareholder agreements or other agreements exist between major shareholders, the purpose of which would be to coordinate influence and control over the company.

Authorisation for new share issues

At the 2017 AGM, a resolution was passed to authorise the Board to issue financial instruments with or without pre-emptive rights for existing shareholders. According to the authorisation, issues may in total comprise such a maximum amount of shares, convertibles and/or warrants that falls within the limits of the Articles of Association.

SHAREHOLDERS 31 DEC 2017

Shareholders	Number of shares	Share of votes and capital
Bengtssons Tidnings AB	32,730,995	29.85%
Ludvika Holding AB	16,259,564	14.83%
Copperstone Resources AB	11,157,684	10.18%
Nord Fondkommission AB	5,574,702	5.08%
Garden Growth Industries AB	4,350,000	3.97%
Emil Nilsson	4,185,000	3.82%
Günther&Wikberg Kapitalförvaltning AB	3,095,097	2.82%
Väsman Invest AB	2,022,030	1.84%
Jonas Bengtsson	1,934,165	1.76%
Jan Blomquist	1,349,772	1.23%
Other shareholders	26,977,641	24.61%
Total	109,636,650	100.00%

Board of Directors

The Board of Directors of Nordic Iron Ore AB consists of four members. The shareholdings disclosed below include related parties and shareholdings via other companies, etc.



1 JONAS BENGTSSON, 1969

Board member since 2011

Jonas Bengtsson is a partner at BTAB Invest and has over 15 years' experience in the financial sector and the development of small and medium-sized industrial and property companies.

Other assignments: Chairman of the Board and owner of Jonas Bengtsson Invest AB. Chairman of the Board of Zensum AB, Board member of Bengtssons Tidnings AB and Origo Capital AB, as well as several assignments in property projects.

Holdings in the company: 1,934,165 shares privately. Jonas and Anders Bengtsson represent the company Bengtssons Tidnings AB with total holdings of 32,730,995 shares.

2 JOHNAS JANSSON, 1971

Board member since 2012.

Johnas Jansson is an entrepreneur with over 20 years' experience from the industrial sector and the staffing industry. He has developed and built up a number of industrial, staffing and real estate companies.

Other assignments: Managing Director and owner, partner and Board member of Elbolaget Montage AB, Östansbotjärnen Fastighets AB, Ludvika Vedlager AB, Ludvika Holding AB, Badhusudden AB, Elbolaget Jansson & Co AB, Hotellbacken Fastighets AB and Findity AB.

Holdings in the company: 16,259,564 shares indirectly via Ludvika Holding AB, which Johnas controls in partnership with Tomas Olofsson.

3 ANDERS BENGTSSON, 1963

Board member since 2016.

Anders Bengtsson is a partner at BTAB Invest and has over 20 years' experience as a company executive and management consultant from business development and the financing of small and medium-sized industrial and real estate companies.

Other assignments: CEO, Board member and owner of DIMITRA AB. Board member of Bengtssons Tidnings AB, Scandinavian Biogas Fuels International AB and Diös Fastighets AB, as well as several assignments in property projects.

Holdings in the company: 712,685 shares privately. In partnership with Jonas Bengtsson, Anders represents the company Bengtssons Tidnings AB with total holdings of 32,730,995 shares.

4 TOMAS OLOFSSON, 1968

Board member and Chairman of the Board since 2016.

Tomas Olofsson is an entrepreneur with over 20 years' experience in the engineering industry. He has developed and built up a number of industrial, staffing and real estate companies.

Other assignments: Managing Director of Lemont AB. Board member of companies including Grytänge Invest AB, Logweld AB, Svanströms Lackeringar AB, Matojo AB, Hotellbacken Fastighets AB, Fastighets AB Morgårdshammar, Datorama AB, A.Rentall AB, Ludvika Holding AB, Badhusudden AB, Mecapto AB and Findity AB.

Holdings in the company: 16,259,564 shares indirectly via Ludvika Holding AB, which Tomas controls in partnership with Johnas Jansson.

Management

The company's management consists of the following senior executives. The shareholdings disclosed below include related parties and shareholdings via other companies, etc.



1 PAUL MARSDEN, 1957, MANAGING DIRECTOR SINCE SEPTEMBER 2015.

Paul Marsden has been Nordic Iron Ore's marketing and sales director since November 2011, and has previously held various executive positions at Northland Resources SA, most recently as VP, Business Development.

Previously, Paul Marsden was engaged as a consultant in the international mining, iron and steel industry for almost 30 years, including nearly 27 years with Corus Consulting (formerly British Steel Consultants Ltd). Paul Marsden's most recent position at Corus Consulting, as project director, included responsibility for feasibility studies and the global marketing of iron ore. Paul Marsden is also a designated Qualified Person according to The Institute of Materials, Metals and Mining (IOM3) and its regulatory framework.

Other assignments: None

Holdings in the company: 177,393 shares directly and through companies.



2 LENNART ELIASSON, 1956, Deputy Managing Director & CFO

CFO/Director of Finance since April 2011. Lennart Eliasson was previously an Authorised Public Accountant at KPMG, where he was a partner and worked as a specialist on financial analysis, sales of businesses and valuation issues. For nine years, Lennart Eliasson was also Vice President, Corporate Finance, at Swedbank Markets.

Other assignments: Board member of the subsidiary Ludvika Mines AB and of Delta Environmental Projects AB (publ).

Holdings in the company: 100,000 shares



3 HANS THORSHAG, 1950, CTO

Hans Thorshag has over 40 years' experience from the mining industry as a project manager, production manager and mining specialist at companies such as LKAB, Boliden, Midroc Gold and Lundin Mining. He is also a designated Qualified Person according to SveMin's regulatory framework.

Other assignments: Board member of Mitheko Aktiebolag and partner in Mining and Milling in Bergslagen Handelsbolag.

Holdings in the company: 60,000 shares

AUDITOR

At the Annual General Meeting (AGM) on 22 May 2017, the accounting firm Öhrlings PricewaterhouseCoopers AB was appointed auditor of the company with Authorised Public Accountant Annika Wedin (born 1961 and a member of FAR) as principal auditor, with a term of office for the period until the end of the 2018 AGM.

Directors' Report

The Board of Directors and Managing Director of Nordic Iron Ore, Corp. Reg. No. 556756-0940, hereby submit the following Annual Report and consolidated financial statements.

OPERATIONS

The company's business consists of exploration and mining operations, principally through the management and refinement of the exploration permits held by the company for iron-ore deposits in Västerbergslagen.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Studies relating to geophysics and geohydrology carried out in preparation for planning of mines in the DFS.

A new share issue with pre-emptive rights for existing shareholders provided the company with SEK 18.3 million before issue costs.

Work on estimating mineral resources for the expanded concession area continued.

Consultants were contracted and the work on mine planning and production was begun. The geotechnical studies were completed as part of this work. The models from the geotechnical and hydroecological studies were used as a basis and set the limits for the final mine design and the quarrying plans.

A declaration of intent regarding logistics between the mine and the harbour was signed with Rail Cargo, a subsidiary of the Austrian Federal Railways.

DMT submitted the final update of the mineral resource estimate, which increased aggregate resources by approximately 15 per cent.

The exploitation concession application for an area immediately to the north-west of Blötberget was approved by the Mining Inspectorate of Sweden.

The Mining Inspectorate of Sweden granted the company's exploitation concession application for the Södra Väsman field. A draft report concerning the mine design mine was presented.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

The Board of Directors decided to prepare the company for a rights issue and subsequent market listing of the company's shares in a suitable market. The decision is subject to resolution by the AGM. The decision is also subject to an agreement with the Board of Directors for Copperstone Resources AB (publ) ("Copperstone") concerning the claim held by Copperstone being approved by Nordic Iron Ore's AGM.

Currently, Nordic Iron Ore (NIO) has borrowings totalling approximately SEK 16 million with Copperstone. An agreement between the two companies' Boards of Directors proposes that half of the amount owing be set off against newly issued shares in NIO at a rate equivalent to the issue price in the planned rights issue in NIO. The remainder of the loan is intended under the agreement to be turned into a convertible loan with two years' tenor (the "Convertible"). The conversion price will be SEK 1 per share, and the annual interest rate will be 5.5 per cent. After a year, NIO will have the right to redeem the Convertible in advance, at which point Copperstone will have the opportunity to instead demand conversion into shares. On expiry, NIO will have the right to demand conversion into shares.

EMPLOYEES

During the financial year, the average number of employees was 3 (2). All were employed by the Parent Company.

FINANCIAL POSITION, CASH BALANCE AND FUTURE CAPITAL REQUIREMENTS

On the balance-sheet date, the Group had a cash balance of SEK 2.4 M. The equity/assets ratio was 84.95 per cent. Consolidated equity was SEK 106.3 million, equivalent to SEK 0.97 per share.

Nordic Iron Ore needs to raise additional capital to finance its operations until the final definitive feasibility study is completed and orders can be made for investment in concentration plants, terminal facilities and mining equipment, which will require substantial amounts of additional capital. As a result of the rights issue now being proposed, NIO is of the opinion that the company will be able to complete its definitive feasibility studies and prepare the start of construction ahead of the resumption of iron ore production at Blötberget.

RISKS AND UNCERTAINTIES

In addition to the risks associated with future global market prices for iron ore products that affect the profitability of the project and the technical risks, the possibility of starting up operations depends on obtaining the requisite permits from authorities and on meeting the substantial requirement for capital. Nordic Iron Ore has obtained all the necessary permits for its first sub-project, Blötberget. During the first half of 2018, the company plans to raise additional capital for the purpose of completing the definitive feasibility study and of covering the costs for forming the organisation before the start of construction. A significant need for financing will then need to be covered for the construction work on the plants.

FUTURE PROGRESS

Following application of the Land and Environment Court's judgment on 24 June 2014, the operations have focused on the ongoing definitive feasibility study and preparations for the construction phase. During the final phase of this work, customer contact will become increasingly important. A key component is that concentrates produced by the process testing that was carried out will be evaluated by potential customers. Cash and cash equivalents from the rights issue now being proposed are intended to be used to complete the ongoing DFS and to prepare the organisation for start of construction and market listing of the company's share.

CORPORATE GOVERNANCE

Corporate governance refers to the decision-making systems through which shareholders, directly or indirectly, govern Nordic Iron Ore.

Corporate governance at Nordic Iron Ore is based on Swedish legislation, mainly the Swedish Companies Act, and the company's Articles of Association, as well as internal instructions prepared and adopted by the company.

The Swedish Corporate Governance Code (the Code) applies to Swedish limited liability companies whose shares are traded on a regulated market. It aims to constitute guiding rules for sound corporate governance and supplement legislation in areas in which it places more stringent demands. Since the company's shares are not traded on a regulated market, the company is not required to apply the Code. However, the company's aim is to gradually apply measures to comply with the rules of the Code at a rate deemed reasonable based on the stage and scope of the operations.

THE SHARE

The share capital at the end of the financial year totalled SEK 19,013,563 distributed among 109,636,650 shares, with a quotient value of SEK 0.1734 per share.

The company's Articles of Association stipulate a share capital of not less than SEK 17,100,000 and not more than SEK 68,400,000, and a maximum number of shares totalling 396,000,000. No limitations apply to the transferability of shares under the Articles of Association or applicable legislation. At the 2017 AGM, a resolution was passed to authorise the Board to issue financial instruments with or without pre-emptive rights for existing shareholders. According to the authorisation, issues may in total comprise such a maximum amount of shares, convertibles and/or warrants that falls within the limits of the Articles of Association.

SHAREHOLDERS AND GENERAL MEETINGS OF SHAREHOLDERS

Nordic Iron Ore's highest decision-making body is the general meeting of shareholders, at which the latter exercise their influence over the company. Each year, an ordinary shareholder meeting shall be held — an Annual General Meeting (AGM). The AGM passes resolutions on items including adopting the income statement and balance sheet, appropriation of the company's profit or loss, discharging the Board of Directors and Managing Director from liability, election of the Board and auditors and establishing their fees.

Under Nordic Iron Ore's Articles of Association, general meetings of shareholders can be held in the municipality of Ludvika, the intended location of the company's main operations, or in the municipality of Stockholm. Notice of AGMs and Extraordinary General Meetings (EGMs) at which an amendment to the Articles of Association will be addressed must be issued not earlier than six weeks and not later than four weeks prior to the meeting. Notice of any other EGM must be issued not earlier than six weeks and not later than two weeks prior to the meeting. Notice of the meeting is given in the form of an announcement in Post och Inrikes Tidningar and on the company's website. Information about the notice having been issued is announced in Dagens Industri. Shareholders who are entered in the register of shareholders held by Euroclear, on the record day, and who have notified the company in time of their intention to participate in the meeting are entitled to participate and vote for their shareholdings at the general meeting.

The 2017 AGM was held on 22 May at Piren restaurant in Ludvika, Sweden. The report from the AGM is published on the company's website. The AGM resolved to re-elect the following Board members: Jonas Bengtsson, Johnas Jansson, Anders Bengtsson and Tomas Olofsson. Tomas Olofsson was elected Chairman of the Board.

NOMINATION COMMITTEE

The AGM resolved that the Nomination Committee be appointed by the Chairman of the Board contacting at least three of the largest shareholders at the end of 2017, in order for these to appoint one representative each who, together with the Chairman, would form a Nomination Committee.

The Nomination Committee appoints its Chairman from among its members.

THE BOARD OF DIRECTORS AND ITS WORK PROCEDURES

The Board is responsible for Nordic Iron Ore's organisation and for the administration of the company's affairs. The Board regularly assesses the company's and Group's financial position and ensures that the company's organisation is structured such that accounting, asset management and the company's financial circumstances in general are appropriately controlled. The Board is elected for the period until the next AGM.

Under the Articles of Association, the Board is to comprise between three and ten members with not more than ten deputies. The Board of the company currently consists of four Board members and no deputies.

The Board of Nordic Iron Ore comprises expertise and experience in areas that are important to the company. The Board consists of members with expertise and experience in management, business development and financing.

Board work is conducted based on prevailing legislation, regulations and the rules of procedure adopted by the Board. The rules of procedure are regularly reviewed and adopted, at least once a year, at the statutory Board meeting following the AGM.

For the time being, the Board has resolved to refrain from appointing any committees within the Board, since it is of the opinion that, at the current stage of the company's development, the duties that would be performed by remuneration and audit committees are handled most efficiently within the framework of the Board as a whole.

According to the rules of procedure, the Board is to hold at least six meetings in addition to the statutory meeting. In 2017, the Board held 11 meetings including telephone meetings at which minutes were taken. At its ordinary meetings, the Board addressed the fixed items on the agenda of each Board meeting pursuant to the Board's rules of procedure, such as the Managing Director's report on significant events since the previous meeting and financial reports.

The Board is kept informed of the company's financial position and performance, at a minimum in connection with each ordinary Board meeting. Financial reporting to the Board follows the adopted financial reporting instructions.

The current rules of procedure, financial reporting instructions and the delegation of authority were adopted by the Board on 22 May 2017.

Information about the Board and senior executives is available on the company's website www.nordicironore.se under the heading Corporate governance, Articles of Association and information about the Board and senior executives. Information about fees paid to the Board is provided in the notes to the Annual Report.

MANAGING DIRECTOR

The Managing Director reports to the Board and bears the main responsibility for operating activities, including personnel, financial and accounting issues, regular contact with the company's stakeholders (such as authorities and the financial market) and for providing the Board with the information required to make well-founded decisions. The distribution of duties and responsibilities between the Board and the Managing Director is regulated by law, the company's instructions for the Managing Director regarding the distribution of duties between the Board and the Managing Director, and the delegation of authority adopted by the Board. The Chairman of the Board maintains ongoing dialogue with the Managing Director and, if necessary, attends extra Board meetings.

Paul Marsden has been Managing Director of the company since September 2015. He was previously the company's Technical Sales and Marketing Director. The Managing Director is presented in more detail on the company's website under About us/ Organisation/Management. Information about remuneration for the Managing Director is presented in the notes to the financial statements.

INSIDER REGISTER AND INSIDER POLICY

In preparation for a future market listing of the company's share, the Board has adopted an insider policy regulating procedures for the periods during which trading in shares or other financial instruments is not permitted.

AUDIT

The auditor reviews the company's Annual Report and accounts, and the administration of the Board of Directors and Managing Director in accordance with the Swedish Companies Act and generally accepted auditing standards in Sweden.

The 2017 AGM re-elected the company's auditor Ohrlings Price-waterhouseCoopers AB, with Annika Wedin as auditor-in-charge for the period until the 2018 AGM.

INFORMATION FOR THE STOCK MARKET

Since the company has such a large number of owners, Nordic Iron Ore aims to keep the share market continuously informed about the company's operations, to ensure that the market's requirements regarding disclosure and timely information are adequately met. The company strives to follow the disclosure requirements governed by legal provisions and the Nasdaq First North Rulebook.

Nordic Iron Ore AB issues quarterly reports, year-end reports and annual reports, which are disclosed through press releases and published on the company's website.

ENVIRONMENT AND SUSTAINABILITY

Mining operations are subject to stringent environmental and regulatory requirements, including restrictions on noise and emissions, the handling of hazardous substances and other health and safety risks. Nordic Iron Ore's stated ambition is to minimise the company's impact on the environment, local residents and society in general. Issues related to the environment and sustainability are therefore central, and include the external environment, energy use and occupational health and safety.

PROPOSED APPROPRIATION OF PROFITS

Funds at the disposal of the AGM:

	Amounts in SEK
retained earnings	-97,690,556
share premium reserve	181,208,514
Loss for the year	-9,124,220
Total	74,393,738

The Board proposes that the profit, SEK 74,393,738, be carried forward.

The earnings and financial position of the company and the Group are presented in the following income statements and balance sheets with supplementary information and notes.

Consolidated statement of comprehensive income

Amounts in SEK 000	Note	2017	2016
Other operating income		–	100
Total income		0	100
Other external costs	6, 7, 8	-6,923	-6,718
Personnel costs	8	-799	-601
Depreciation of property, plant and equipment	11, 12	-89	-120
Total operating expenses		-7,811	-7,439
Operating loss		-7,811	-7,339
Financial income		142	5
Financial expenses		-1,455	-1,396
Net financial expense		-1,313	-1,391
Loss after financial items		-9,124	-8,730
Tax	9	–	–
Loss for the year		-9,124	-8,730
Attributable to:			
Parent Company shareholders		-9,124	-8,730
Loss for the year		-9,124	-8,730
Other comprehensive income		–	–
Total other comprehensive income		-9,124	-8,730
Number of shares			
No. shares at year-end		109,636,650	36,545,550
Average number of shares (before dilution)		98,665,604	36,467,429
Average number of shares (after dilution)		98,665,604	36,467,429
Earnings per share	10		
Earnings per share, weighted average before dilution, SEK		-0.09	-0.24
Earnings per share, weighted average after dilution, SEK		-0.09	-0.24

Consolidated Balance Sheet

Amounts in SEK 000	Note	31 Dec 2017	31 Dec 2016
ASSETS			
Non-current assets			
Intangible assets			
Capitalised expenditure pertaining to exploration and evaluation	11	122,215	113,366
		122,215	113,366
<i>Property, plant and equipment</i>			
Machinery and equipment	12	13	102
		13	102
<i>Financial assets</i>			
Other non-current receivables	14	31	31
		31	31
Total non-current assets		122,259	113,499
Current assets			
Other receivables	16	276	340
Prepaid expenses and accrued income	17	167	335
Cash and cash equivalents	18	2,373	970
Total current assets		2,816	1,645
TOTAL ASSETS		125,075	115,143
Equity			
Equity attributable to Parent Company shareholders			
Share capital	19	19,014	6,338
Other paid-in capital		181,209	176,610
Retained earnings including comprehensive income for the year		-93,976	-84,852
Total equity		106,246	98,096
Liabilities			
<i>Non-current liabilities</i>			
Borrowings	20, 24	–	14,414
		0	14,414
<i>Current liabilities</i>			
Borrowings	20, 24	15,833	–
Accounts payable		909	672
Other liabilities	21	44	1,060
Accrued expenses and deferred income	22	2,042	901
Total current liabilities		18,828	2,633
Total liabilities		18,828	17,047
TOTAL EQUITY AND LIABILITIES		125,075	115,143

Consolidated Statement of Changes in Equity

Amounts in SEK 000	Attributable to Parent Company shareholders			Total equity
	Share capital	Other paid-in capital	Retained earnings incl. profit/loss for the year	
Opening equity, 1 Jan 2016	6,338	176,622	-76,121	106,839
Loss for the year			-8,730	-8,730
Other comprehensive income			0	0
New share issue				0
Issue costs		-12		-12
Closing equity, 31 Dec 2016	6,338	176,610	-84,852	98,096
Opening equity, 1 Jan 2017	6,338	176,610	-84,852	98,096
Loss for the year			-9,124	-9,124
Other comprehensive income			0	0
New share issue	12,676	5,597		18,273
Issue costs		-999		-999
Closing equity, 31 Dec 2017	19,014	181,209	-93,976	106,246

Consolidated Cash Flow Statement

Amounts in SEK 000	Note	31 Dec 2017	31 Dec 2016
Operating activities			
Loss for the year		-9,124	-8,729
Adjustment for non-cash items:			
Depreciation and amortisation		89	119
		-9,035	-8,610
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		233	-16
Increase (+)/Decrease (-) in operating liabilities		1,780	47
Cash flow from operating activities		-7,022	-8,579
Investing activities			
Acquisition of intangible assets		-8,849	-4,147
Cash flow from investing activities		-8,849	-4,147
Financing activities			
New share issue, net of issue costs		17,274	–
Borrowings	24	–	1,000
Cash flow from financing activities		17,274	1,000
Cash flow for the year		1,403	-11,726
Opening cash and cash equivalents		970	12,696
Cash and cash equivalents at the end of the year		2,373	970

Income statement – Parent Company

Amounts in SEK 000	Note	2017	2016
Operating income			
Other operating income		–	100
Total income		0	100
Operating expenses			
Other external costs	6, 7, 8	-6,923	-6,718
Personnel costs	8	-799	-601
Depreciation and amortisation	11, 12	-89	-120
Total operating expenses		-7,811	-7,439
Operating loss		-7,811	-7,339
Loss from financial items			
Interest income		142	5
Interest expenses		-1,455	-1,396
Loss from financial items		-1,313	-1,391
Loss after financial items		-9,124	-8,730
Tax	9	0	0
LOSS FOR THE YEAR		-9,124	-8,730
STATEMENT OF COMPREHENSIVE INCOME			
Loss for the year		-9,124	-8,730
Other comprehensive income		–	–
Total other comprehensive income		-9,124	-8,730

Balance sheet – Parent Company

Amounts in SEK 000	Note	31 Dec 2017	31 Dec 2016
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Capitalised expenditure pertaining to exploration and evaluation	11	122,215	113,366
		122,215	113,366
<i>Property, plant and equipment</i>			
Machinery and equipment	12	13	102
		13	102
<i>Financial assets</i>			
Participations in Group companies	13	50	50
Other non-current receivables	14	31	31
		81	81
Total non-current assets		122,309	113,549
Current assets			
<i>Current receivables</i>			
Other receivables	16	276	340
Prepaid expenses and accrued income	17	167	335
Cash and bank balances	18	2,330	927
Total current assets		2,773	1,602
TOTAL ASSETS		125,082	115,151
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	19	19,014	6,338
Reserve for development expenditures		12,847	4,146
		31,861	10,484
<i>Non-restricted equity</i>			
Share premium reserve		181,209	176,610
Retained earnings		-97,691	-80,261
Loss for the year		-9,124	-8,729
		74,394	87,620
Total equity		106,255	98,104
Liabilities			
<i>Non-current liabilities</i>			
Borrowings	20, 24	–	14,414
		0	14,414
<i>Current liabilities</i>			
Borrowings	20, 24	15,833	–
Accounts payable		909	672
Other current liabilities	21	44	1,060
Accrued expenses and deferred income	22	2,042	901
Total current liabilities		18,828	2,633
Total liabilities		18,828	17,047
TOTAL EQUITY AND LIABILITIES		125,082	115,151

Changes in Equity – Parent Company

Amounts in SEK 000	Restricted equity		Non-restricted equity			Total equity
	Share capital	Reserve for development expenditures	Share premium reserve	Retained earnings	Loss for the year	
Opening equity, 1 Jan 2016	6,338	–	176,622	-63,206	-12,909	106,845
Appropriation of profits				-12,909	12,909	–
Issue costs			-12			-12
Capitalisation of development expenditures		4,147		-4,147		
Comprehensive loss for the year					-8,729	-8,729
Closing equity, 31 Dec 2016	6,338	4,147	176,610	-80,262	-8,729	98,105
Opening equity, 1 Jan 2017	6,338	4,147	176,610	-80,262	-8,729	98,105
Appropriation of profits				-8,729	8,729	–
New share issue	12,676		5,597			18,273
Issue costs			-999			-999
Capitalisation of development expenditures		8,700		-8,700		–
Comprehensive loss for the year					-9,124	-9,124
Closing equity, 31 Dec 2017	19,014	12,847	181,209	-97,691	-9,124	106,255

Cash Flow statement – Parent Company

Amounts in SEK 000	Note	31 Dec 2017	31 Dec 2016
Operating activities			
Loss for the year		-9,124	-8,729
Adjustment for non-cash items:			
Depreciation and amortisation		89	119
		-9,035	-8,610
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		232	-16
Increase (+)/Decrease (-) in operating liabilities		1,780	47
Cash flow from operating activities		-7,022	-8,579
Investing activities			
Acquisition of property, plant and equipment		-8,849	-4,147
Cash flow from investing activities		-8,849	-4,147
Financing activities			
New share issue, net of issue costs		17,274	–
Borrowings	24	–	1,000
Cash flow from financing activities		17,274	1,000
Cash flow from financing activities		1,000	17,581
Cash flow for the year		1,403	-11,725
Opening cash and cash equivalents		927	12,652
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		2,330	927

Notes

Note 1 General information

Nordic Iron Ore AB (publ) is a mining and exploration company with its main operations consisting of exploration and mining activities principally through the management and refinement of the exploration permits and the exploitation concessions held by the company for iron-ore deposits in Västerbergslagen (a geographical area in the south of Dalarna).

In addition to the Parent Company Nordic Iron Ore AB, the Nordic Iron Ore Group consists of the wholly owned subsidiary Ludvika Gruvor AB. The Parent Company is a limited liability company registered in Sweden and domiciled in the municipality of Ludvika. The street address of the head office is Vendevägen 85 A, SE-182 91 Danderyd, Sweden. All amounts are stated in thousands of Swedish kronor (TSEK) unless otherwise specified. The information in parentheses pertains to the preceding year. The Board approved the publication of the annual accounts and consolidated financial statements on 26 April 2018.

Note 2 Summary of important accounting policies

BASIS FOR PREPARING THE STATEMENTS

The following accounting and valuation policies pertain to both the consolidated financial statements and the Parent Company's annual accounts unless otherwise specified. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Commission for application within the EU. The most important accounting policies applied in the preparation of these consolidated financial statements are presented below. The consolidated financial statements have also been prepared in compliance with Swedish law and the application of RFR 1, Supplementary Accounting Regulations for Groups, as published by the Swedish Financial Reporting Board. The consolidated financial statements have been prepared in accordance with the cost method. The Parent Company's accounts have been prepared in accordance with RFR 2,

Accounting for Legal Entities, and the Swedish Annual Accounts Act. In cases where the Parent Company applies accounting policies that differ from those of the Group, this is described separately under the heading Parent Company's accounting policies. Preparing financial statements that comply with IFRS requires the use of certain critical accounting estimates. Management is also required to make certain judgements in the application of the Group's accounting policies. The areas that require a higher degree of judgement or complexity, or such areas where assumptions and estimates are of material importance to the consolidated financial statements, are described separately. Refer to Note 4.

New or amended IFRS not yet applied.

None of the new and amended standards and interpretations that are to be applied as of 1 January 2017 have had any material impact on the consolidated or the Parent Company's financial statements. No new or amended IFRS have been applied in advance.

Future amendments of accounting policies

None of the IFRS or IFRIC interpretations that are not yet effective are expected to have any material impact on the Group.

A number of new or amended IFRS will enter force only during the coming financial year or later, and have not been applied in advance in the preparation of these financial reports. The IFRS that are expected to have an impact or could have an impact on the consolidated financial reports are described below. In addition to the IFRS described below, the IASB is expected to issue and publish new and amended standards, whereas it is the EU that adopts them. Other new or amended standards or interpretations that IASB has published are not expected to have any impact on the consolidated or the Parent Company's financial statements.

IFRS 9 Financial instruments enters force on 1 January 2018 and will then replace IAS 39 Financial Instruments: Recognition and Measurement. It contains rules for classification and measurement of financial assets and liabilities, amortisation of financial instruments and hedge accounting. The standard will be applied by the Group and Parent Company as of 1 January 2018, and will not have any impact on the consolidated or the Parent Company's financial statements.

IFRS 15 Revenue from Contracts with Customers will be applied as of 2018 and deals with reporting revenue from contracts with customers and sales of certain non-financial assets. As the Group's revenues essentially consist of rental and lease income, the Group is not covered by IFRS 15 but by IAS 17. The company's assessment is that the recommendation will have no material impact on the financial statements.

IFRS 16 Leases will replace IAS 17. Under the new standard, most leased assets will be reported on the balance sheet and lessees will divide the cost up into interest payments and depreciation of the asset. IFRS 16 enters force for the financial year beginning on 1 January 2019. The standard will be applied by the Group and Parent Company as of 1 January 2019. During the year, the Group began evaluating the effects of the standard. The preliminary assessment is that it will have no material impact on the Group's or the Parent Company's financial statements. Refer to Note 7.

CONSOLIDATED FINANCIAL STATEMENTS

The acquisition method is used to recognise the Group's business combinations. The Group's only subsidiary was formed under the Group's own auspices and thus not acquired.

EFFECTS OF EXCHANGE-RATE CHANGES

Functional currency and reporting currency

Group companies have the Swedish krona (SEK) as their functional currency and reporting currency.

Transactions and balance-sheet items

Transactions in foreign currency are translated into the functional currency in accordance with the exchange rate prevailing on the transaction date. Exchange-rate gains and losses resulting from settlement of such transactions and from the translation of accounts receivable and accounts payable in foreign currency are recognised in profit and loss.

INTANGIBLE ASSETS

Capitalised expenditure pertaining to exploration and evaluation

Expenditure relating to exploration for and evaluation of mineral resources is recognised according to IFRS 6 Exploration for and Evaluation of Mineral Resources. Exploration and evaluation efforts are measured at cost and refer to all expenditure directly attributable to the exploration for and evaluation of mineral resources.

Capitalised expenditure for exploration and evaluation assets includes expenditure for geological and technical surveys, test drilling and laboratory analyses. Indirect expenses and expenses arising prior to obtaining licences are recognised directly as an expense in the period in which they arise. Once technically and commercially feasible, capitalised development expenditure attributable to Ludvika Mines will no longer be classified as exploration and evaluation assets. Reclassification will then be performed, whereupon recognition will be according to IAS 16 Property Plant and Equipment, and IAS 38 Intangible Assets, depending on how the assets have been classified.

Amortisation

Amortisation of exploration and evaluation work commences at the start of production at the mining facilities and then continues in line with the useful life of the mining facility.

Impairment

Exploration and evaluation assets are impairment-tested when facts and circumstances indicate that the carrying amount may exceed its recoverable amount. An impairment loss is recognised as an expense in profit or loss. One or more of the following factors and circumstances indicate a need for impairment testing:

- The period during which the company is entitled to explore the specified area has expired or will expire within the near future, and has not been renewed.
- Significant expenditure for further exploration for and evaluation of mineral resources in the area in question are neither planned nor budgeted.
- Exploration for and evaluation of mineral resources in the area in question have not led to the discovery of mineral resources in commercially viable quantities and the company has decided to cease such operations in the area in question.
- There is sufficient information to indicate, despite the probable continuation of development in the area in question, that the carrying amount of the exploration and evaluation asset can probably not be recovered in its entirety through successful development or sale.

Capitalised expenses in the form of exploration and evaluation assets and licences are impaired as soon as the exploitation licence is relinquished to the issuer.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at cost less depreciation. Cost includes expenses directly attributable to the acquisition of the asset.

Depreciation of other assets, in order to distribute their cost down to the calculated residual value, is performed on a straight-line basis over the estimated useful life as follows:

Machinery and equipment 5 years

Gains and losses on disposals are determined by comparing the sales proceeds and the carrying amount.

FINANCIAL INSTRUMENTS

The Group classifies its financial assets and liabilities under the following categories: loans receivable and accounts receivable, and other financial liabilities. Classification depends on the purpose for which the financial asset or liability was acquired.

General policies

Purchases and sales of financial assets and liabilities are recognised on the transaction date – the date on which the Group commits to purchase or sell the asset or liability. Financial assets and liabilities are initially recognised at fair value plus transaction costs. Financial assets are derecognised from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred largely all risks and benefits associated with ownership. Financial liabilities are derecognised from the balance sheet when the obligation in the agreement has been fulfilled or otherwise extinguished.

Loans receivable and accounts receivable, and other financial liabilities, are recognised after the date of acquisition at amortised cost using the effective interest method.

Loans receivable

Loans receivable are financial assets which are not derivatives, which have determined or determinable payments and which are not listed on an active market. They are included in current assets with the exception of items falling due more than 12 months after the balance-sheet date, which are classified as non-current assets. Loans receivable are recognised as other receivables and financial assets, respectively, in the balance sheet. Cash and cash equivalents are also included in this category. At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset requires impairment.

Other financial liabilities

This category includes loans and other financial liabilities, such as accounts payable. Loans are measured at amortised cost. Amortised cost is determined based on the effective interest rate calculated when the liability was assumed. For accounts payable, the expected maturity is short and, accordingly, the value is recognised at the undiscounted nominal amount.

CALCULATION OF FAIR VALUE

The carrying amount, after any impairment, of loans receivable and accounts receivable, and other liabilities, is assumed to equal their fair value because such items are current in nature. The Group does not have any financial instruments measured at fair value in the balance sheet.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and bank balances. Cash and cash equivalents in the cash flow statement include cash and bank balances.

SHARE CAPITAL

Ordinary shares are classified as equity. Transaction costs directly attributable to the issuing of new shares are recognised, net of tax, in equity as a deduction from the issue proceeds.

Earnings per share

Basic earnings per share are calculated by dividing earnings for the year attributable to Parent Company shareholders by a weighted average number of outstanding shares during the period. In calculating diluted earnings per share, the average number of shares is adjusted for all shares with a potential dilution effect.

ACCOUNTS PAYABLE

Accounts payable are undertakings to pay for expenses and capitalised expenditure. Accounts payable are classified as current liabilities if they fall due within one year or earlier. Accounts payable are recognised at their nominal amount. The carrying amount of accounts payable is assumed to equal its fair value, because this item is current in nature.

BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently recognised at amortised cost and any difference between the amount received (net of transaction costs) and the repayment amount is recognised in profit and loss distributed over the loan period and applying the effective interest method.

BORROWING COSTS

All borrowing costs are expensed.

CURRENT AND DEFERRED TAX

Income tax comprises current tax and deferred tax. Income tax is recognised in profit and loss except when an underlying transaction is recognised directly in equity.

Current tax

Current tax is tax payable or receivable with respect to the current financial year and any adjustment of tax with respect to preceding income years. The current tax expense is estimated according to the tax rate applicable to the tax assessment. In the balance sheet, the tax asset or tax liability for current tax is recognised as current.

Deferred tax

Deferred tax is calculated on the difference between the carrying amounts and taxable values of the company's assets and liabilities. Deferred tax is recognised according to the balance-sheet method. Deferred tax is recognised on basically all temporary differences arising between the taxable values of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is calculated by applying tax rates (and laws) decided or announced as per the balance-sheet date, and which are expected to apply when the applicable deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future tax surpluses will be available, against which the temporary differences can be utilised. There are currently no differences between taxable values and carrying amounts in the company's balance sheet and, accordingly, no temporary differences that could lead to deferred tax assets/liabilities.

CASH FLOW STATEMENT

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents include cash and bank balances.

REMUNERATION OF EMPLOYEES

Pension obligations

Nordic Iron Ore AB only has defined-contribution plans. For these, Nordic Iron Ore AB pays fees to pension insurance plans, administered by the public or private sector, on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the fees have been paid. The fees are recognised as personnel costs when they fall due for payment. Prepaid contributions are recognised as an asset insofar as cash repayment or a reduction in future payments can accrue to the Group.

PROVISIONS

A provision is recognised in the balance sheet when the Group has an existing legal or informal obligation ensuing from a transpired event, and it is probable that an outflow of financial resources will be required to settle the obligation, and a reliable estimate can be performed.

REVENUE RECOGNITION

Interest income is recognised as revenue distributed over the duration through application of the effective interest method.

LEASES

The Group has only operating leases. For operating leases, lease payments are expensed across the term of the lease based on its useful life, which can differ from actual payments made to cover lease payments during the year. Lease costs comprise rent for premises.

PARENT COMPANY'S ACCOUNTING POLICIES

The Parent Company applies RFR 2 Accounting for Legal Entities, and the Swedish Annual Accounts Act.

Income statement and balance sheet format

The income statement and balance sheet follow the format of the Annual Accounts Act.

This involves differences from the consolidated financial statements, mainly with respect to financial income and expenses, the statement of comprehensive income, provisions and the statement of changes in equity.

Shares in subsidiaries

Shares in subsidiaries are recognised at cost less any impairment. Dividends received are recognised as financial income. Dividends exceeding the comprehensive income of the subsidiary for the period, or for which the carrying amount of the holding's net assets in the consolidated financial statements fall below the carrying amount of the participations, indicate a need for impairment. When there is an indication that shares in subsidiaries have declined in value, the recoverable amount is calculated. In the event that the recoverable amount is lower than the carrying amount, an impairment is made. Impairments are recognised under the item Profit/Loss from participations in Group companies.

Classification and measurement of financial instruments

IAS 39 Financial Instruments: Recognition and Measurement is applied except with respect to financial guarantees, for which the exception according to RFR 2 is selected. Financial guarantees are included in Contingent liabilities.

Note 3 Financial risk factors

In its operations, the Group is exposed to a range of different financial risks: market risk (comprising currency risk, interest risk in cash flow and price risk), credit risk and liquidity risk. The Group's financial policy/risk-management policy focuses on minimising potentially adverse effects on Group earnings.

Market risk

- Currency risk is the risk of exchange-rate fluctuations negatively affecting the company's profit, financial position and/or cash flows. Currency risk comprises both transaction and translation risk. The company currently has no material currency exposure since operating activities largely have costs linked to the Swedish krona (SEK). Decisions about any future mining will involve the need for significant investments in mining and processing plants, machinery and equipment, in certain cases with foreign suppliers in currencies other than the SEK. Furthermore, iron ore prices are set on the global iron ore market in USD. As of the decision to start up the mines, there will be currency exposure to manage, chiefly relating to revenue flows in USD. The company has not yet decided on any currency hedges or adopted a hedging policy, but intends to do so when the need arises.
- The Group is not currently exposed to any price risk.
- Interest risk is only limited at present since raised loans carry a fixed interest rate.

Credit risk

Credit risk is the risk of a counterparty in a financial transaction failing to meet its obligations on the due date. Credit risks arise through bank balances including restricted bank balances. Only banks and financial institutions with a high credit rating are accepted by the Group.

Liquidity risk

Liquidity risk is the risk of the Group lacking sufficient cash and cash equivalents to meet its financial liabilities. The company continually monitors the Group's liquidity reserve to ensure that the Group has sufficient funds to meet the needs of operating activities. At 31 December 2017, the Group had a cash balance of SEK 2,373 thousand (970). The Group has no credit facilities.

Maturity analysis

At 31 December 2017	Within 1 year 1 and 5 years	Between 5 and 10 years	More than 10 years
Interest on long-term borrowings	–	–	–
Amortisation on long-term borrowings	–	–	–
Interest on short-term loan	5,833	–	–
Amortisation on short-term loan	10,000	–	–
Accounts payable	909	–	–

Capital risk

To secure the financial resources required to maintain momentum in the project, the company proposed that the Annual General Meeting pass a resolution on a share issue with pre-emptive rights for existing shareholders.

Note 4 Critical accounting estimates and assumptions for reporting purposes

Estimates and assumptions are regularly evaluated and are based on experience and other factors, including expectations about future events deemed reasonable in the prevailing circumstances. The Group makes estimates and assumptions about the future. The resulting accounting estimates will, by definition, rarely match the actual outcome. The estimates and assumptions involving a significant risk of material adjustments in the carrying amounts of assets and liabilities in the following financial years are outlined below.

(a) Impairment testing for exploration and evaluation work

Exploration and evaluation assets are impairment tested, based on the requirements in IFRS 6, when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, measurement, classification and disclosures are provided pursuant to the requirements in IAS 36 Impairment of Assets. At 31 December 2017, the value of intangible assets, capitalised exploration and evaluation expenditure, amounted to TSEK 122,215 (113,366). Among other factors, the value is dependent upon the opportunities and resources for developing the capitalised expenditure into mineable deposits. Should the circumstances of the underlying assessments, on which the value of the intangible assets is based, change, and facts and circumstances arise to indicate that an impairment test is required, the value may need to be impaired.

No capitalised expenses were impaired, either during the year or the preceding year.

(b) Assessment of potential capitalisation of loss carry-forwards

Unutilised loss carry-forwards are booked as deferred tax assets to the extent it is probable that they can be used to offset surpluses in future taxation. Because the Group has not yet commenced commercial sales, the company management is of the opinion that loss carry-forwards shall not be capitalised at this point. Assessment thereof shall be made at the close of each reporting period. No time limit applies to the utilisation of loss carry-forwards in the Group today.

(c) Assessment of provision for restoration costs

Meeting the requirements of environmental legislation may require substantial expenses, including fees for restoring land and for damage due to land contamination. Since the company has not commenced mining operations and only carried out limited exploration, no provision for restoration costs has been recognised.

Note 5 Segment reporting

Operating segments are reported such that they match the internal reporting submitted to the chief operating decision maker (CODM). The CODM is the function responsible for allocating resources and assessing the performance of the operating segments. For the Group, this function has been identified as the Managing Director. Until the end of 2017, Nordic Iron Ore AB operated with in one operating segment, that is, exploration for and evaluation of mineral resources. The operations are conducted in Sweden. The operating segment identified in Nordic Iron Ore AB thus coincides with reporting for the Group as a whole. Additional information regarding revenue from external customers and non-current assets for geographic areas, as well as information about major customers, is not applicable to the Group because operations are only conducted in Sweden and the Group has not yet reported any revenue.

Note 6 Auditors' fees

Audit fees pertain to examination of the annual accounts and the accounting records, the administration of the Board of Directors and the Managing Director, other duties incumbent upon the company's auditors and advisory or other services arising from observations made during such examination or the performance of other such duties. Everything else is defined as other assignments.

Audit fees

Amounts in SEK 000	2017	2016
Group and Parent Company		
PWC		
Audit engagement	310	200
Audit-related services	0	10
Total	310	210

Note 7 Leases

Amounts in SEK 000	31 Dec 2017	31 Dec 2016
Group and Parent Company		
All expensed lease payments for the year amount to Lease fees regarding rental expenses for premises	660	655
Future lease payments fall due for payment as follows:		
Within 1 year	660	660
Between 2 and 5 years	–	–
Later than 5 years	–	–

Note 8 Remuneration of employees, etc.

Average number of employees	2017	2016
Group and Parent Company		
Average number of employees	3	3
Group total	3	3

Board members – number on balance-sheet date	2017	2016
--	------	------

Group and Parent Company		
Board members		
Number of Board members	4	2
of whom women	–	–
Total	4	2

Senior executives – number on balance-sheet date	2017	2016
--	------	------

Group and Parent Company		
Managing Director and other senior executives		
Men	3	3
Women	–	–
Total	3	3

Salaries, other remuneration and social security contributions	2017	2016
--	------	------

Group and Parent Company		
Board, Managing Director and company management	4,272	4,020
Other employees	889	737
Total	5,162	4,756
Social security contributions	436	330
Pension expenses for the Board and Managing Director	–	–
Pension expenses, other employees	40	10
Total	476	340

TSEK 985 of personnel costs were capitalised. The fees for the Board, Managing Director and company management include invoiced fees that are recognised among Other external costs.

2017

Amounts in SEK 000	Fees	Salaries	Other benefits and remuneration	Pension expenses	Total remuneration
Tomas Olofsson, Chairman of the Board	200				200
Paul Marsden, Managing Director		1,589			1,589
Jonas Bengtsson, Board member	75				75
Johnas Jansson, Board member	75				75
Anders Bengtsson, Board member	75				75
Other senior executives, 2 individuals		2,282			2,282
Total	425	3,871	-	-	4,296

2016

Amounts in SEK 000	Fees	Salaries	Other benefits and remuneration	Pension expenses	Total remuneration
Sigrun Hjelmqvist, Chairman of the Board until July 2016	210				210
Thomas Olofsson, Board member	17				17
Paul Marsden, Managing Director		1,576			1,576
Jonas Bengtsson, Board member	75				75
Johnas Jansson, Board member	75				75
Ryan Hoff, Board member	38				38
Other senior executives, 2 individuals		2,130			2,130
Total	415	3,706	-	-	4,121

Note 9 Income tax/tax on profit for the year

Amounts in SEK 000	%	2017	%	2016
Group				
Pre-tax loss		-9,124		-8,730
Tax according to applicable tax rate for Parent Company	22.0%	2,007	22.0%	1,921
<i>Tax effect of</i>				
Non-deductible expenses		-9		-16
Non-taxable income		-		-
Issue costs		-220		-3
Tax effect of net loss/gain from operations not recognised as deferred tax assets		-1,779		-1,902
Recognised current tax expense	0.0%	-	0.0%	-

Amounts in SEK 000	%	2017	%	2016
Parent Company				
Pre-tax loss		-8,730		-12,909
Tax based on the applicable tax rate for the Parent Company	22.0%	1,921	22.0%	2,840
<i>Tax effect of</i>				
Non-deductible expenses		-16		-9
Non-taxable income		-		1
Issue costs		-3		207
Tax effect of net loss from operations not recognised as deferred tax assets		-1,902		-3,038
Recognised current tax	0.0%	-	0.0%	-

Tax loss carry-forwards

Tax loss carry-forwards for which no deferred tax asset is recognised:

Amounts in SEK 000	2017	2016
Parent Company		
Tax loss carry-forwards	109,537	99,455
Group		
Tax loss carry-forwards	109,544	99,462

The weighted average tax rate for the Group and Parent Company is 22% (22%).

Note 10 Earnings per share

Amounts in SEK 000	2017	2016
Basic earnings per share		
Earnings attributable to Parent Company shareholders	-9,124	-8,729
Average number of shares	98,665,604	36,467,429
Number of shares when calculating basic earnings per share	98,665,604	36,467,429
Diluted earnings per share		
Earnings attributable to Parent Company shareholders	-9,124	-8,729
Average number of shares	98,665,604	36,467,429
Number of shares when calculating diluted earnings per share	98,665,604	36,467,429

Basic earnings per share

The calculation of earnings per share attributable to Parent Company shareholders is based on earnings for the year after tax attributable to Parent Company shareholders in relation to a weighted average number of shares amounting to 98,665,604 (36,467,429).

Diluted earnings per share

The calculation of earnings per share attributable to Parent Company shareholders is based on earnings for the year after tax attributable to Parent Company shareholders.

Note 11 Intangible assets

Amounts in SEK 000	31 Dec 2017	31 Dec 2016
Group and Parent Company		
Accumulated cost		
At the start of the year	113,366	109,219
Acquisitions during the year	8,849	4,147
Closing carrying amount	122,215	113,366
Closing carrying amount	113,366	109,219

Capitalised expenditure pertaining to exploration and evaluation

Capitalised expenditure for exploration and evaluation work pertains to costs that arose in connection with investigative work relating to the planned start of mining operations, chiefly drilling. During the year, all items directly associated with exploration were capitalised, including personnel costs.

Note 12 Property, plant and equipment

Amounts in SEK 000	31 Dec 2017	31 Dec 2016
Group and Parent Company		
Accumulated cost		
At the start of the year	696	696
Closing accumulated cost	696	696
Accumulated depreciation and impairment		
At the start of the year	-594	-475
Depreciation and impairment for the year	-89	-120
Closing accumulated depreciation and impairment	-683	-594
Carrying amounts	13	102

Depreciation and amortisation

Depreciation is performed on a straight-line basis over the calculated useful life, that is over five years.

Impairment testing

The residual value and useful lives of the assets are tested at the end of each reporting period and adjusted as necessary. No impairment was deemed necessary for the period.

Note 13 Participations in Group companies

Amounts in SEK 000	31 Dec 2017	31 Dec 2016
Parent Company		
Accumulated cost		
At the start of the year	50	50
Closing balance	50	50
Subsidiaries/ Corp. Reg. No./Reg. Office		
	No. of shares	Share in %
	Equity	Carrying amount
	Result	
Ludvika Gruvor AB		
556856-2994		
Ludvika	50	100
	43	50
		-

Note 14 Other non-current receivables

Amounts in SEK 000	31 Dec 2017	31 Dec 2016
Group		
Deposit under the Minerals Act issued to the Mining Inspectorate of Sweden	31	31
TOTAL	31	31
Parent Company		
Deposit under the Minerals Act issued to the Mining Inspectorate of Sweden	31	31
TOTAL	31	31

Note 15 Financial instruments by category**31 Dec 2017**

Amounts in SEK 000	Financial assets recognised at amortised cost	Liabilities recognised at amortised cost	Total carrying amount	Fair value
Group				
Deposits and restricted bank balances	31		31	31
Other receivables	262		262	262
Cash and cash equivalents	2,373		2,373	2,373
Total	2,666	-	2,666	2,666
Parent Company				
Borrowings		15,833	15,833	15,833
Accounts payable and other liabilities		909	909	909
Total		16,742	16,742	16,742

31 Dec 2016

Amounts in SEK 000	Financial assets recognised at amortised cost	Liabilities recognised at amortised cost	Total carrying amount	Fair value
Group				
Deposits and restricted bank balances	31		31	31
Other receivables	186		186	186
Cash and cash equivalents	970		970	970
Total	1,187	-	1,187	1,187
Parent Company				
Borrowings		15,426	15,426	15,426
Accounts payable and other liabilities		672	672	672
Total		16,098	16,098	16,098

Note 16 Other receivables

Amounts in SEK 000	31 Dec 2017	31 Dec 2016
Group and Parent Company		
Recoverable VAT	257	192
Other items	19	149
Total	276	340

Note 17 Prepaid expenses and accrued income

Amounts in SEK 000	31 Dec 2017	31 Dec 2016
Group and Parent Company		
Prepaid rental expenses	167	200
Prepaid insurance expenses	-	11
Other items	-	125
Total	167	335

Note 18 Cash and cash equivalents

Amounts in SEK 000	31 Dec 2017	31 Dec 2016
Group		
Cash and bank balances	2,373	970
Total	2,373	970
Parent Company		
Cash and bank balances	2,330	927
Total	2,330	927

Note 19 Share capital and other paid-in capital

The Articles of Association of Nordic Iron Ore AB stipulate a share capital of not less than SEK 17,100,000 and not more than SEK 68,400,000. The minimum number of shares is 99,000,000 and the maximum 396,000,000. At 31 December 2017, the company's registered share capital was SEK 19,013,563 distributed between 109,636,650 shares with a quotient value of SEK 0.17 per share.

	Number of shares	Share capital, SEK	Other paid-in capital
2016			
Opening balance, 1 January 2016	36,545,550	6,337,853	176,622,063
New share issue			-11,881
Closing balance, 31 December 2016	36,545,550	6,337,853	176,610,182
2017			
Opening balance, 1 January 2017	36,545,550	6,337,853	176,610,182
New share issue	73,091,100	12,675,710	4,598,510
Closing balance, 31 December 2017	109,636,650	19,013,563	181,208,692

Note 20 Borrowings

Amounts in SEK 000	31 Dec 2017	31 Dec 2016
Group and Parent Company		
Non-current liability to Copperstone Resources AB	15,833	14,414
Total	15,833	14,414

The loan falls due for payment in November 2018, unless previously offset against new loans, or alternately shares in Nordic Iron Ore AB.

Apart from these loan contracts, no related-party transactions took place during the financial year.

Note 21 Other liabilities

Amounts in SEK 000	31 Dec 2017	31 Dec 2016
Group and Parent Company		
Withholding tax	19	21
Employer's contributions	25	27
Short-term loans	–	1,012
Total	44	1,060

Note 22 Accrued expenses and deferred income

Amounts in SEK 000	31 Dec 2017	31 Dec 2016
Group and Parent Company		
Accrued salaries and fees	561	287
Accrued capitalised expenses	460	232
Accrued pension expenses	13	2
Other items	1,008	379
Total	2,042	901

Note 23 Pledged assets and contingent liabilities

Amounts in SEK 000	31 Dec 2017	31 Dec 2016
Group and Parent Company		
<i>Contingent liabilities</i>	None	None
<i>Pledged assets</i>	–	–
Restricted bank balances, SHB, pledged to the benefit of the County Administrative Board of the County of Värmland regarding a commitment to restore land	31	31
Total contingent liabilities and pledged assets	31	31

Note 24 Cash flow statement

Amounts in SEK 000	31 Dec 2016	Cash flow impacting	Non-cash flow impacting	31 Dec 2017
Liability to investors	14,414	–	1,419	15,833
Total liability from financial activities	14,414	–	1,419	15,833

Note 25 Related-party transactions

Amounts in SEK 000	2017	2016		
	Liability to related party at 31 December	Receivable from related party at 31 December	Liability to related party at 31 December	Receivable from related party at 31 December
Related party				
Managing Director, through companies				
Owner: Bengtssons Tidnings AB	–	–	500	–
Owner: Elbolaget i Ludvika AB	–	–	250	–
Owner: Mecapto AB	–	–	250	–
Owner: Copper- stone Resources AB	15,833	–	14,414	–
Total	15,833		15,414	

Note 26 Significant events after the end of the financial year

In March 2018, the company raised a short-term loan totalling SEK 3 M from the three largest owners

In April, the Board decided to propose that the AGM resolve on a new share issue with pre-emptive rights for existing shareholders. On full subscription, the company will raise SEK 36.5 M before issue costs. Based on an agreement with the Board for Copperstone Resources ("the Company"), two offset issues are proposed — one of shares and one of convertibles — as settlement for the outstanding loan held by the Company.

The Board also proposes that the company's share be brought up for sale in a suitable marketplace after completion of the issues.

The Board of Directors and the Managing Director certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and that they provide a true and fair view of the Group's financial position and performance. The annual accounts have been prepared in accordance with generally accepted accounting principles, and provide a true and fair view of the Parent Company's financial position and performance. The Directors' Report for the Group and the Parent Company provides a true and fair view of the Group's and Parent Company's operations, financial position and performance and describes the material risks and uncertainties faced by the Parent Company and the companies in the Group.

The income statement and balance sheet will be submitted to the AGM for adoption on 22 May 2018.

Ludvika, 24 April 2018

Tomas Olofsson
Chairman of the Board

Jonas Bengtsson

Johnas Jansson

Paul Marsden
Managing Director

Anders Bengtsson

Our audit report was submitted on 25 April 2018.
Öhrlings PricewaterhouseCoopers AB

Annika Wedin
Authorised Public Accountant

Auditor's Report

To the General Meeting of the Shareholders of Nordic Iron Ore AB (publ), Corp. Reg. No. 556756-0940

Report on the annual accounts and the consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Nordic Iron Ore AB (publ) for 2017. The annual accounts and consolidated accounts of the company are included on pages 17–37 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2017, and of its financial performance and cash flow for the year in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2017, and of its financial performance and cash flows for the year according to the International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act. The statutory Directors' Report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the Shareholders' Meeting adopts the income statement and balance sheet for the Parent Company and the statement of comprehensive income for the group.

Basis for Opinions

We conducted our audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are described further in the Auditor's responsibilities section. We are independent of the Parent Company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other information than the annual accounts and the consolidated accounts

This document also contains other information than the annual accounts and the consolidated accounts, which can be found on pages 1–16. The Board of Directors and Managing Director are responsible for the other information.

Our opinion on the annual accounts and the consolidated accounts does not cover this other information, and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Information of material significance

We would like to draw attention to the Financial position, cash balance and future capital requirements section in the Directors' Report, which indicates that the company needs to raise additional capital to finance its operations until the final definitive feasibility study is completed and orders can be placed for investments in concentration plants, terminal facilities and mine equipment, which will require substantial amounts of additional capital. As a result of the rights issue now being proposed, NIO is of the opinion that the company will be able to complete its definitive feasibility studies and prepare the start of construction ahead of the resumption of iron ore production at Blötberget. We have not modified our statement in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, as regards the consolidated accounts, in accordance with IFRS, as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatements, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts can be found on the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the Auditor's Report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Nordic Iron Ore AB (publ) for the year 2017 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory Directors' Report, and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are described further in the Auditor's Responsibilities section. We are independent of the Parent Company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposed appropriation of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the Parent Company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and for the administration of the company's affairs. This includes among other things continuous assessment of the

company's and the group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibilities

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain and audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act, or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the administration can be found on the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the Auditor's Report.

Gävle, 25 April 2018

Öhrlings PricewaterhouseCoopers AB

Annika Wedin
Authorised Public Accountant

Glossary

Apatite

A mineral composed of calcium phosphate mixed with either calcium fluoride or calcium chloride. However, the apatite that occurs in Sweden is almost entirely a mixture of calcium phosphate and calcium fluoride, and it exists as a component of, for example, granite, gneiss and iron ore.

Exploitation concession

Permit to process (mine) a deposit (previously known as mining district).

Brownfield

In this Annual Report "brownfield" is used together with project or exploration. Brownfield exploration normally means exploration in an area where mines have been operating in the past and where the geological conditions are well known. For a brownfield project, relevant information is already available which facilitates further exploration and minimises risks.

Mining

Removing the rock or ore in an open-cast or underground mine.

Cut-off

The lowest level that is acceptable for inclusion in calculations of tonnage and average content.

Diabase

Fine to medium-size grains, dark grey to black hypabyssal rock, which to a volume of 65–35% is composed of calcium-rich plagioclase (labradorite-bytownite) and to 35–65% of pyroxene; olivine can also occur.

Feasibility study

Scoping study/feasibility study. A study with sufficient accuracy to serve as the basis for an investment decision.

Flotation

A concentration process whereby mineral grains in a liquid are lifted to the surface and skimmed off. Geophysical measurements Measurements with instruments that identify the physical properties of the rock types (ores and tectonic structures).

Haematite

Mineral with the chemical composition Fe_2O_3 . Mined for the extraction of iron. Also previously called red iron ore.

JORC (Australasian Joint Ore Reserves Committee)

Internationally accepted standard setting minimum standards for public reporting of exploration results and mineral resources.

The standard is prepared by the Australasian Joint Ore Reserves Committee, which gave its name to the standard.

Core drilling

Rotary drilling used to extract a core from the bedrock.

Magnetite

Mineral with the chemical composition Fe_3O_4 . Mined for the extraction of iron. Also referred to as black ore.

Ore

Previous term for a mineralisation that can be exploited for financial gain, see also mineral reserves.

Blast furnace

Oven in which the oxide-bound iron is reduced to pig iron.

Metavolcanite

Volcanic rock types that have undergone metamorphism.

Environmental permit

Permit in compliance with the Environmental Code to conduct mining and ore processing.

Mineralisation

Concentration of potentially economically interesting mineral deposits in the bedrock.

Mineral reserves

Mineral reserves are calculated based on the indicated and measured mineral resources with regard to, for instance, technical and economic considerations for mining and concentration as well as matters of a legal nature.

Mineral resources

Refers to mineralisations of such quality and quantity as to enable commercial extraction of metals or minerals.

The mineral resources are classified based on the extent of geological knowledge about them, i.e. inferred, indicated or measured mineral resources. Mineral resources are calculated and classified by a Qualified Person.

Mtpa

Million tonnes per annum.

NPV

Net present value. Net present value is the estimated value of an investment's future cash flows, both positive and negative, discounted with respect to a given interest-rate calculation.

Drift

Mining tunnel.

Pegmatite

Igneous rocks with exceptionally coarse and variable grain size.

Preliminary feasibility study (PFS)

A PFS is less detailed than a feasibility study but more extensive than a preliminary economic assessment (PEA) from which it differs by, for instance, only including measured and indicated mineral resources in the calculations.

Preliminary economic assessment (PEA)

A preliminary economic assessment and early evaluation of a mining project aimed at objectively identifying the strengths and weaknesses of the project and highlighting the relevant opportunities and threats, the resources required for implementation and, finally, the prospects of success.

Exploration

The search for ore.

Shaft

Usually, a vertical drift that was used for the transport of ore and workers.

Sinter

Coarser product for charging to the blast furnace made of fine-grained iron-ore concentrate.

Sintering

Reduction processes that produce large pieces of ore, sinter, through partial fusion.

Skip

Ore lifting cage.

Ore concentrate

Fine-grained iron ore product obtained through concentration of iron ore.

Inclined trackway

Tunnel for the ascent from and descent into the mine. Often in a spiral.

Raise

Vertical or steeply sloping link between two levels in a mine.

Stoping

Blasting with free discharge, whereby the borehole direction is roughly parallel to the surface to which the discharge occurs.

Lump ore

Iron ore product obtained when dressing.

Exploration permit

Permit from the Mining Inspectorate of Sweden to operate



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