

# ANNUAL REPORT 2020





# Contents

Nordic Iron Ore in brief.....	4
Summary of 2020 .....	5
Asset portfolio.....	6
Statement from the Managing Director .....	10
Market and products.....	12
Operations .....	16
Sustainable mining of the future .....	22
Share capital and ownership structure .....	24
Corporate governance report 2020.....	26
Board of Directors and Management .....	28
Administration Report.....	30
Notes to the financial statements.....	38
Glossary .....	51



# Nordic Iron Ore in brief

**Nordic Iron Ore is a mining development company in the southern Dalarna region of Sweden whose main ambition is to resume mining operations at Ludvika Mines, comprising the previously operational mines Blötberget and Håksberg, and the intermediate Väsman field, which is considered to hold significant potential. The company has received all of the necessary permits for the initial project in Blötberget, and will be able to produce extremely high-grade iron ore. This positions the company extremely well in a market where demand for high-grade iron ore with high iron content is increasing.**

## Vision

Nordic Iron Ore will be a major Swedish producer 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, gradually expanding to an anticipated annual production of about 4 million tonnes of end 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 production.



# Summary of 2020

## Nordic Iron Ore as an investment

- Feasibility and optimisation studies indicate solid commercial potential
- All necessary permits ready
- Efficient logistics solutions secured
- Brownfield with surrounding infrastructure
- Will produce highly concentrated iron ore products, which are in great demand, will be produced and sold at premium prices
- Potential for expansion and significant synergies

## First quarter 2020

- Nordic Iron Ore decides to conduct a directed offset issue of SEK 1.0 million
- Nordic Iron Ore commissioned grid owner to move a 50 kV power line
- Nordic Iron Ore is granted exploration permit for Blötberget No. 4
- Nordic Iron Ore publishes preliminary results from Smart Exploration research project

## Second quarter 2020

- Nordic Iron Ore retains Whittle Consulting to perform an optimisation study
- Nordic Iron Ore resolves to convert loan outstanding

## Third quarter 2020

- Nordic Iron Ore raises loan of SEK 5 million
- Additional geophysical surveys of ore deposits in Ludvika
- Nordic Iron Ore publishes results of phase I of optimisation study

## Fourth quarter 2020

- Nordic Iron Ore publishes highly positive results from optimisation study for Blötberg mine
- Nordic Iron Ore resolves to issue private placement of shares to Whittle Consulting

# Asset portfolio

## of current mineral resources, reserves and permits

The company's current permits, mineral resources and mineral reserves are detailed below. The estimate of the Blötberg mine's mineral resources was performed by DMT Consulting Ltd, with Timothy Horner as the lead Qualified Person. The estimates for the Southern Väsman field and the Håksberg mine were performed by GeoVista, with Thomas Lindholm as the lead Qualified Person.

Estimates of the mineral reserves at Blötberg are from the definitive feasibility study published by the Golder Associates consulting firm in October 2019.

A summary of the definitive feasibility study as well as reports on mineral resources are available on the Company's website ([www.nordicironore.se](http://www.nordicironore.se)).

In late February this year (2020), Nordic Iron Ore was granted a new exploration permit by the Mining Inspectorate of Sweden for Blötberg No. 4. As per the Minerals Act, the exploration permit grants exclusive evaluation rights for the area in question and is valid for three years.

### EXPLOITATION CONCESSIONS

NAME	MUNICIPALITY	MINERAL	VALIDITY PERIOD	SHARE	AREA (HA)
Blötbergsgruvan K No. 1	Ludvika	apatite, iron, lanthanum	30 Aug 2011 – 30 Aug 2036	100%	126.43
Blötbergsgruvan K No. 2	Ludvika	apatite, iron, lanthanum	14 Aug 2017 – 14 Aug 2042	100%	38.65
Håksbergsgruvan K No. 1	Ludvika	gold, iron, copper	15 Dec 2011 – 15 Dec 2036	100%	136.30
Southern Väsman field K No. 1	Ludvika	iron	21 Dec 2017 – 21 Dec 2042	100%	115.39

### EXPLORATION PERMIT

NAME	MUNICIPALITY	MINERAL	VALIDITY PERIOD	SHARE	AREA (HA)
Ludvikafältet No. 1	Ludvika	apatite, iron	6 May 2019 – 6 May 2022	100%	913.65
Blötberg No. 4	Ludvika	apatite, iron	20 Feb 2020 – 20 Feb 2023	100%	453.72





## Classification of mineral resources

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

### Measured mineral resources

A measured mineral resource is the part of a mineral resource for which quantity, content density, shape and physical properties are so well known that they can be assessed with an accuracy that is sufficient to allow the appropriate application of the technical and economic parameters required for calculating mineral reserves, establishing a mining plan and evaluating the economic viability of the deposits.

The assessment is based on detailed and reliably compiled exploration and testing data obtained through appropriate techniques from outcrops, trenches, test pits, quarry grindings and drill holes that are sufficiently close to confirm that geological and grade continuity exists.

### 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 and reliably compiled exploration and testing data obtained through appropriate techniques from 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.

## MINERAL RESOURCES

PROJECT	MEASURED		INDICATED		INFERRED		CLASSIFICATION
	MT	% FE	MT	% FE	MT	% FE	ACCORDING TO
Blötberget	45.4	41.7	9.6	36.2	11.8	36.1	JORC 2012
Häksberg	–	–	25.4	36.4	11.6	36.0	JORC
Väsman			7	38.5	85.9	38.4	JORC



## Mineral reserves

Mineral reserves are classified according to the extent of knowledge about them as:

### Probable mineral reserves

A probable mineral reserve is the part of an indicated mineral resource, in some cases a measured mineral resource, which through at least one pre-feasibility study has proven economically viable to mine. This study must include adequate information on mining, concentration, metallurgy, economic and other relevant factors that demonstrate that extraction is profitable.

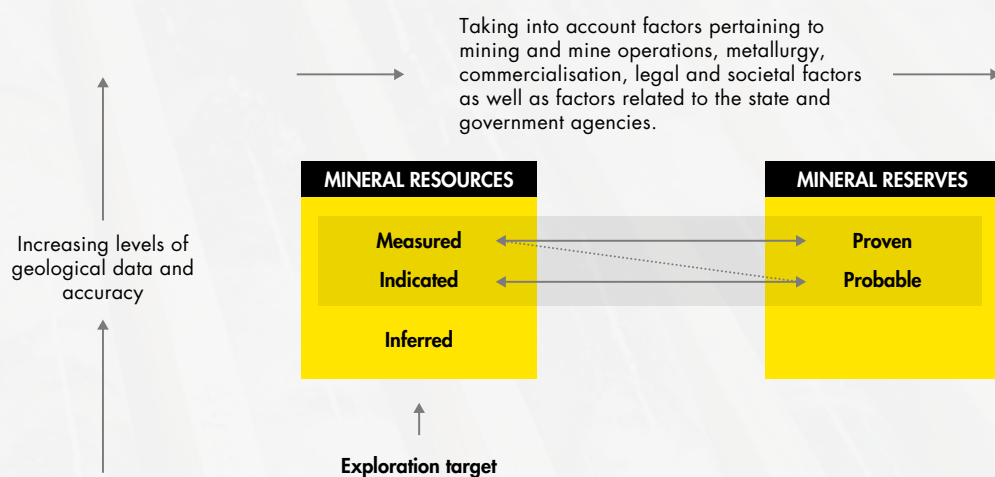
### Proven mineral reserves

A proven mineral reserve is a part of a measured mineral resource that, through at least one pre-feasibility study, has proven economically viable to mine. This study must include adequate information on mining, concentration, metallurgy, economic and other relevant factors that demonstrate that extraction is profitable.

## MINERAL RESERVES

PROJECT	PROVEN		PROBABLE		TOTAL	
	MT	% FE	MT	% FE	MT	% FE
Blåiberg	29.4	37.32	4.67	29.72	34.1	36.26





#### Calculating exploration results

The figure illustrates the relevant framework for how mineral resources and mineral reserves are classified. Mineral resources are estimated and classified by a Qualified Person – usually an experienced geologist – based on geological information collected from core drilling, surface observations, geophysical surveys, etc. With increasing certainty in estimates, mineral resources are classified as inferred, indicated or measured.

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. Calculations include ore losses and waste-rock in mining. Normally, indicated mineral resources are converted to probable mineral reserves, and measured mineral resources to proven mineral reserves. However, in cases of any uncertainty regarding assessment factors, measured mineral resources are converted to probable mineral reserves.

# Statement from the Managing Director

**Looking back at 2020, there were three dominating developments. Our work with the optimisation study, the pandemic and developments in the iron ore market.**

The year was impacted by the pandemic in numerous ways. We had to adapt our work methods and postpone activities that required meeting in person. Thankfully, requisite documentation for the optimisation study was available in digital format, which enabled the consultants to work from their home offices. It was somewhat remarkable to conduct project meetings where a consultant had just climbed out of bed at five in the morning, while others had logged in at midnight. Nevertheless, these proved quite successful and it was mainly our contact with suppliers and authorities that fell behind – a situation that is still prevalent.

When the pandemic was declared in March, many countries imposed hard lockdowns, economies lost momentum and stock markets fell across the world. The pandemic also impacted iron ore, initially causing a fall in prices, although not as severely as for other metal prices. Prices then rose sharply in the second half of the year, to reach nearly USD 160 per tonne of 62 per cent ore by late December – a record since the peak-price years of 2010 to 2013. The price premium initially fell for the ore type that we are to produce – high-grade ore with an iron content of more than 65 per cent. As the wheels of the economy began to turn again, primarily in China, the price premium rose, to reach by year end, USD 14 per tonne in the price differential between 65 and 62 per cent iron content. Naturally, products with more than 65 per cent iron content fetched even higher prices.

## Blötberget – a profitable mine

The most important event in the past year was the optimisation study that we retained Whittle Consulting to conduct. Whittle proceeded from the definitive feasibility study conducted by Golder Associates in the preceding year – a study that among other findings, indicated an operating margin of 44 per cent and a return on investment period of 5.6 years.

When Whittle Consulting presented its findings, profitability figures had improved considerably. For example, the net present value rose more than 50 per cent to USD 172 million, which is highly positive for the negotiations we are conducting in regard to future financing. Whittle Consulting noted early that Nordic Iron Ore has a very low market value relative to the project value, and expressed interest in performing the entire study in exchange for shares, which the Board accepted.

Following the completion of the optimisation study, we have renewed our contact with potential suppliers. We need offers to be updated and in some cases amended, before starting the final zoning plan. To our advantage, several highly competent companies have shown interest in participating in all the significant areas. Several of these areas are to be combined in a single implementation plan; the involvement of numerous participants will require thorough planning and coordination to avoid overlaps or anything from falling through the cracks. This is a project that will require a reinforced organisation, which brings us to the issue of funding.

To secure funding for a project involving more than SEK 2 billion requires resources. Standard project financing through banks is inseparable from significant overhead costs. Funding must therefore be implemented in several steps. The final zoning plan, which together with the option to own or rent certain equipment has an impact on the target amount to be raised, must be implemented alongside funding initiatives and must therefore be financed. We have also begun to investigate other alternative funding arrangements that could, in a single step, secure sufficient funds for the investment in its entirety. The funding cost, as well as the risk of diluting existing shareholders, varies between the alternatives.



## One cannot claim to manufacture “green” steel unless the iron ore originates from “green” mines.

### A sustainable mining company

Steel manufacture entails considerable carbon emissions and it is generally agreed that emissions must be reduced. There has been a noticeable interest in digitalisation and environmentally adapting the entire chain, from mine to steel, in the course of our interactions in the past few months, and at the time of writing, several projects are ongoing around the world, aimed at reducing the climate impact of the industry.

Although new technologies could entail completely CO<sub>2</sub>-free production, it will take time to convert existing industries. In the meantime, the steel industry can do a lot to reduce its impact on the climate. One effective method would be to use the type of high-grade ore that Nordic Iron Ore will be producing. Our ability to build a mine using modern technology and green electricity from the onset speaks for the steel industry to choose us as a supplier. One cannot claim to manufacture “green” steel unless the iron ore originates from “green” mines.

I am fully convinced that the mine will be built in the relatively near future. The definitive feasibility study (DFS) and the optimisation study both unambiguously indicate solid profitability. Furthermore, that we are one of the few mining companies tasked with producing high-grade ore that is far better for the climate, leads me to conclude that it is a matter of time before we can finally commence the construction of one of the world’s most modern mines.

Stockholm, April 2021

**LENNART ELIASSON**

**Managing Director, Nordic Iron Ore AB**



# Market and products

**The global market for iron ore was impacted by the pandemic in 2020. After an initial fall in prices initially following the pandemic's outbreak in March, the trend reversed and resulted in sharply rising prices toward the close of 2020. This was particularly true for the high-grade iron ore products that Nordic Iron Ore plans to produce.**

## The global iron ore market

The past year developed into an unusual one for the global iron ore market. Early in the year, many analysts predicted that, in combination with subdued demand from China, iron ore prices would fall once companies such as Vale in Brazil resumed production following their dam collapse. These forecasts would prove to be entirely wrong. Instead, prices rose sharply during the second half of 2020 and closed at about USD 160 per tonne – a record high since the peak years of 2010 to 2013. The rise in prices was primarily due to the recovery of the Chinese market, and problems related to the pandemic and logistics chain.

The pandemic resulted in countries throughout the world enacting comprehensive lockdowns. The steel industry was impacted when the demand for iron ore declined as a consequence of these measures. However, the price decline proved to be relatively minor and short-lived.

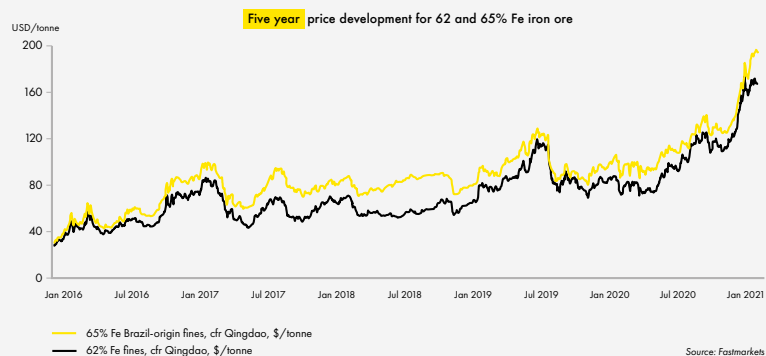
By the second half on the year, prices gained momentum. China's measures to counteract the spread of infection were successful and the hard lockdown imposed early on in the country was lifted by July. The wheels of the economy began to turn again. Demand for ore from the Chinese steel industry, which accounts for about half of the world's steel production, gained momentum when infrastructure investments were resumed. By the third quarter, China had surpassed its steel production levels of the preceding year.

Other factors that positively impacted the price include the extended closure of mines in Brazil, one of the world's largest producers of iron ore. Prices rose sharply in November and December, due to factors such as uncertainty about when Brazilian iron ore production would resume, as well as continued robust demand combined with low stock levels.

## Price trend for high-grade ore

The price trend for high-grade ore comprising more than 65 per cent iron content, was somewhat volatile in 2020. The premium between high-grade ore and ore with 62 per cent iron content fell from USD 21 per tonne to about USD 9, and persisted through the final quarter. The decline in the premium was attributable to the steel industry's subdued demand for iron ore. However, the premium rose in pace with resumed economic activity. At year end, the premium rose to about USD 14 per tonne.

## Iron ore prices in the past five years.





**“Besides the environmental aspect, there are other reasons that demand for high-quality iron ore is expected to increase.”**

Numerous factors indicate that the demand for high-grade ore will continue to rise. One explanation is increasingly stringent environmental policies, particularly in China. Lower-grade ore contains other minerals that must also be melted down, which requires additional energy. This energy is derived from coal and coke, which results in higher environmentally hazardous emissions that must be reduced through increased demand for high-grade ore.

Besides the environmental aspect, there are other reasons that demand for high-quality iron ore is expected to increase, such as the increased productivity to be gained from using raw materials with higher iron content and superior metallurgical properties. This market trend has also increased the demand for pellets, which is an iron ore product made of iron-ore concentrate with a generally high iron content.

Altogether, this suggests that market growth in the segments where Nordic Iron Ore will be operating will remain strong. The company will be able to produce iron ore with up to 71 per cent iron content, with an average around 69 per cent.

#### Products

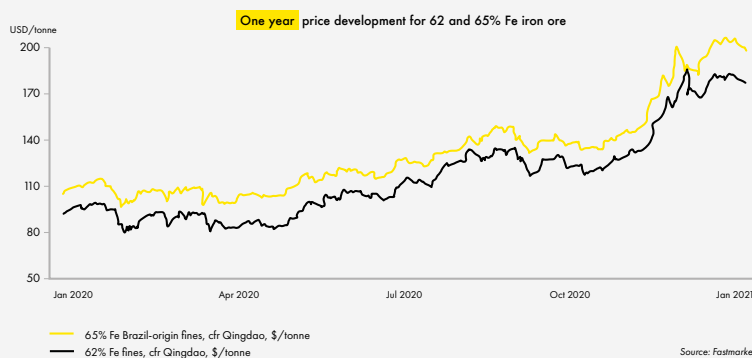
There are primarily four types of iron ore products: fines, sinter, pellets and lump ore. Fines is used to manufacture sinter and pellets, which are then used in the blast furnace process.

Nordic Iron Ore will primarily produce fine concentrate, a fine-grained ore concentrate with an iron content of around 69 per cent, for delivery to steel industries in Europe, the Middle East and China. These products will be among the highest qualities available globally and will constitute a crucial part of the increasingly mature steel industry, which is heading toward “greener” steel manufacture.

#### Pricing

Before 2010, the price of iron ore under long-term contracts was determined in traditional annual pricing negotiations between the major ore and steel producers. Since then, a spot market has emerged, which is based on deliveries to China. Today, contract prices are primarily set on a quarterly basis in relation to the spot price for 62 per cent or 65 per cent ore concentrate delivered to Chinese ports. Products with a higher iron content trade at a premium.

**The diagram shows how iron ore prices have risen sharply and quickly, particularly toward the end of the year.**



# Market and products, cont.

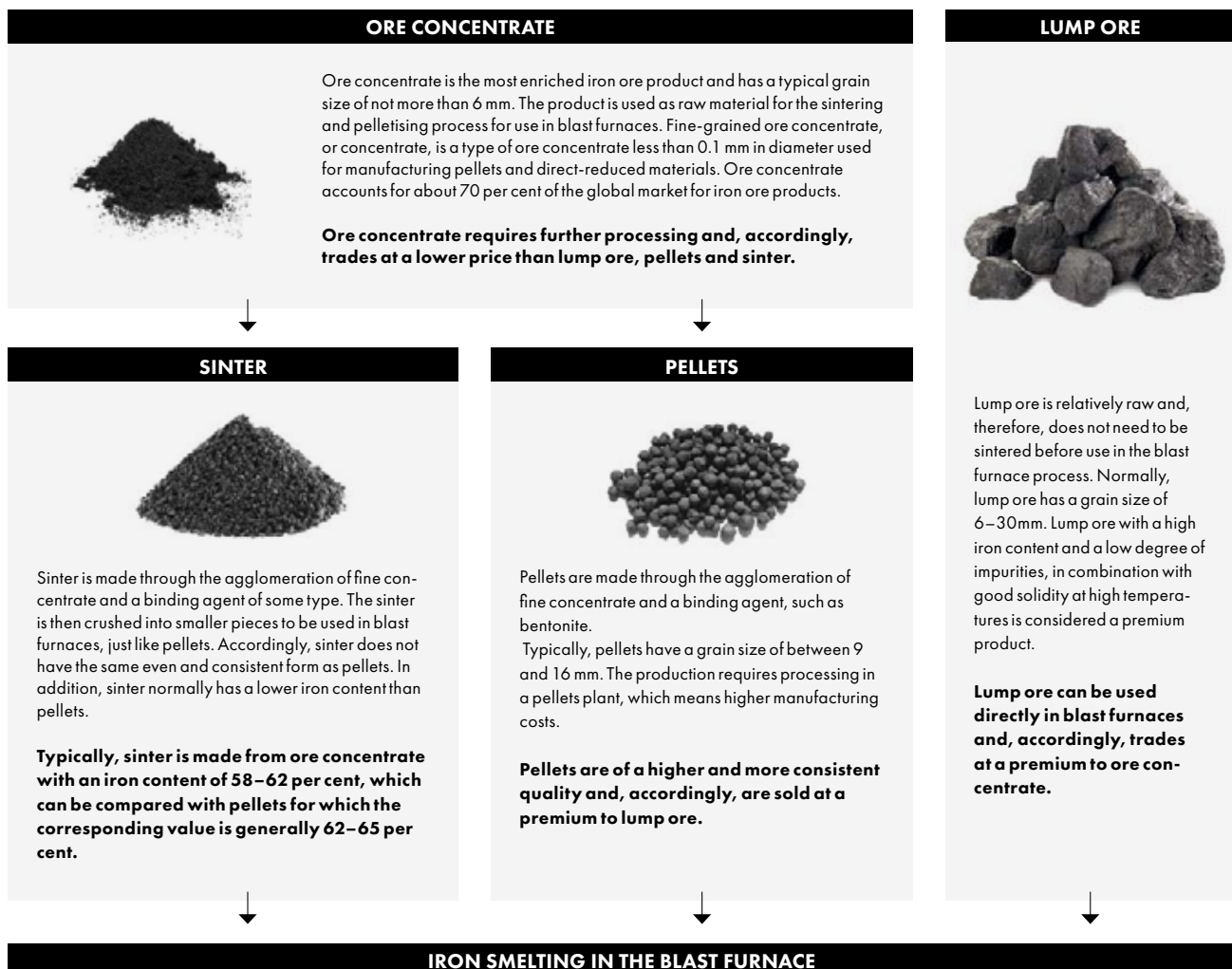


## Sweden: the largest producer in the EU

Sweden is the largest iron ore producer in the EU (the largest in Europe aside from Russia and Ukraine), and the eleventh largest in the world. The Swedish share of global production amounts to 1.3 per cent. By far the largest producer in Sweden is LKAB, which is owned by the Swedish state, and which mines approximately 80 per cent of all the iron ore in the EU. In 2019, LKAB produced 27.2 million tonnes of iron ore and sales amounted to SEK 31.3 billion. Over 80 per cent of the company's sales consist of pellets.

## Iron ore products

Nordic Iron Ore plans to produce ore concentrate intended for the production of pellets or sinter with a high iron content, and which is well suited for the market in Europe and adjacent markets such as Turkey and the MENA region, as well as Asia. In Europe, the product is likely to be used as a composite component for sintering since its high iron content boosts productivity. For the Turkish and MENA markets, fine-grained concentrate for pellet and DRI pellet production is most likely. In Asia, there demand is anticipated for fine-grained pellets from steel producers with pellet plants.



Source: Cuervo Resources, Raw Materials Group

**“Steel manufacture can be improved by using ore with a higher iron content.”**

Examples of uses for steel



## **“We will deliver green ore to the steel industry”**

**Steel manufacturers are facing extensive changes in the future. The steel industry creates considerable amounts of carbon dioxide emissions that must be reduced. The goal is to achieve CO<sub>2</sub>-free steel manufacturing, which could take about 30 years. Paul Marsden, Technical Sales & Marketing Director at Nordic Iron Ore, shares his views regarding the trend.**

### **What can the steel industry do to change?**

“Unfortunately, it is too expensive and risky to implement rapid investments in new technology. On the other hand, steel manufacturers could do a lot to increase productivity in existing plants relatively quickly. This may pertain to using higher quality raw materials and introducing processes that result in lower carbon emissions, such as Direct Reduced Iron (DRI).”

### **What do you mean by raw materials of a higher quality?**

“Steel manufacture can be improved by using ore with a higher iron content. Raw materials that improve blast furnace processes could also be used. These could be ore with an iron content of over 65 per cent or high-quality pellets.”

### **How does this affect emissions levels?**

“In simplified terms, you could say that the higher the iron content, the lower the percentage of undesirable metals that must be melted. This in turn leads to lower energy consumption, which means the use of less coal, and thus a reduction in carbon emissions.”

### **How can methods for CO<sub>2</sub>-free steel manufacture be developed?**

“There are several initiatives to reduce emissions, most of which involve discontinuing the use of coal. There are ongoing projects, such as Hybrit, aimed at attaining large-scale fossil-free steel production, and thereby revolutionising steel manufacture. But this will probably take 20 to 30 years, and in the meantime, there is a lot that the steel industry could do to reduce emissions using existing technologies, mainly the use of high-grade raw materials.”

### **Where does Nordic Iron Ore come into the picture?**

“Our products will be of very high quality, with up to 71 per cent iron content, and we will be one of relatively few companies that can deliver this. When steel manufacturers in European countries purchase our ore, this



**Paul Marsden**

entails greener shipments, compared with ore imports from other parts of the world.”

“The mine we will build will be as automated and digitalised as possible. We will be using renewable green energy, which means that we can deliver green ore to the steel industry.”



# Operations

## Ludvika Mines

**The mining company Nordic Iron Ore aims to resume mining operations at Ludvika Mines, which is a collective name for the deposits at Blötberget, the Väsman field and Håksberg in southern Dalarna. The goal is to build an ultra-modern, eco-friendly mine powered by electricity as far as possible. An important milestone that was achieved in the past year was the optimisation study conducted for Blötberget, which further improved profitability.**

Ludvika Mines has a long history that even includes Nordic Iron Ore. Iron ore began to be mined in the area as far back as the 1600s, with large-scale operations beginning in the year 1900. Stora Kopparberg took over operations at Blötberget in the mid-1900s, but discontinued operations in 1979 due to low iron ore prices and a weak economy. In 2008, the permit was transferred to Nordic Iron Ore, which will be restarting the mine, beginning with Blötberget and then expanding to Väsman and Håksberg.

In total, Nordic Iron Ore controls measured and indicated mineral resources of 87.4 million tonnes with an iron content of 36.2–41.7 per cent, and inferred mineral resources of 109.3 million tonnes with an iron content of 36–38.4 per cent according to the JORC standard. The minimum potential lifetime of Blötberget is 12 years, provided that the indicated and inferred mineral resources in Blötberget and Håksberg can be upgraded to at least 36 million tonnes of mineable reserves.

### Optimisation study for Blötberget

The basis of Whittle Consulting's optimisation study was the definitive feasibility study (DFS) for Blötberget submitted by Golder Associates in 2019. The Golder Associates study found that Blötberget had a net present value of more than SEK 1 billion at a 6 per cent discount rate, an operating margin of 44 per cent and an internal rate of return of 15 per cent before tax. Whittle Consulting's optimisation study resulted in considerable improvement to the profitability of Blötberget; see fact box below.

Based on these encouraging results, Nordic Iron Ore is proceeding in its work to start mining operations at Blötberget. The company is negotiating with potential investors and lenders to evaluate different strategic and financial opportunities.

### Start at Blötberget

Nordic Iron Ore's plan to restart mining is divided into three phases. Phase 1 comprises the start of mining at Blötberget with a first production line at the ore concentrating plant. Phase 2 consists of the deposits at the Väsman field, as Phase 3 is related to the mine at Håksberg. By beginning at Blötberget, where the company already has all of the necessary permits in place, the company will receive revenue from sales. This capital can be used for investments in phases 2 and 3, significantly reducing the amount of capital that must be raised to fund these investments.

## Financial summary of optimisation study for Blötberget

In autumn 2020, Whittle Consulting, the Australian consultancy specialised in strategic planning for the mining industry, submitted the results of an optimisation study for Blötberget. The aim of the study was to proceed from the definitive feasibility study for Blötberget and optimise the financial outcome of the project.

The study not only provided Nordic Iron Ore with extensive control of the definite feasibility study of 2019, but with excellent documentation for building the most profitable mine possible. An optimisation study essentially comprises comprehensive computer simulations to identify the mining plan and the utilisation of ore concentrating plant capacity that will maximise the project's net present value. The results of the study included:

- An increase in net present value to USD 172 million, which is an increase of more than 50 per cent compared with the definitive feasibility study.
- The internal rate of return rose to 21.2 per cent before tax and 19 per cent after tax.
- The production cost per tonne of end product ("cash cost") in the optimised scenario was reduced from USD 56.9 to just over USD 51.3.

A summary of the optimisation study is available at [nordicironore.se](http://nordicironore.se) under "Technical reports".

## An excellent starting point

1

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 ensures profitable operations. Logistics, product quality and production efficiency are three key areas that must be optimised to ensure a profitable operation. Nordic Iron Ore has all of these in its favour.

### Logistics in place

In the logistics area, the company has access to a pre-existing, efficient railway system that connects to the deep-water port in Oxelösund for onward shipping.

2

### High product quality

Nordic Iron Ore will stand out in the steel industry since the company will supply one of the highest quality iron ores in the world with up to 71 per cent iron content.

3

### Efficient production

Rapid technological development in the mining industry provides Nordic Iron Ore with good opportunities to acquire highly efficient extraction and processing equipment. The company's operating costs are expected to decline as a result of more modern extraction methods.



A modern ore train can transport nearly 3,000 tonnes of iron ore. This corresponds to 90 fully loaded heavy goods vehicles with trailers.



## Nordic Iron Ore – a part of Dalarna's mining industry

The magnetite mineralisations under Lake Väsman have been common knowledge since the late 1800s when the first magnetic map was made of the lake. Initial exploration drilling was carried out in the winter of 1916. However, it was not until 1954 that the Ställberg company, which was the owner at the time, drew up the first aerial magnetic map of Västerbergslagen and carried out detailed magnetic measurements from the ice on Lake Väsman. The interpretations of these measurements indicated that mineralisations were substantial and could have a depth of at least a thousand metres. Between 1954 and 1959, the Ställberg company also conducted a research programme, the results of which led to its decision to continue exploration of the subterranean southern section of the Väsman deposits. In 1960, a shaft was sunk down to 280 metres on Väsman's southern shore. At full-scale concentration tests, 8,000 tonnes of iron ore produced about 4,000 tonnes of ore concentrate with an iron content of 65 per cent. In 1964, the Ställberg company terminated its exploration of the Väsman field due to the projected weak price trend in the iron ore market.

### Blötberget's history

<b>1900</b>	Bergverks AB Vulcanus starts large-scale mining operations
<b>1944</b>	Stora Kopparberg Bergslags AB begins preparations for mining in nearby mining districts. The Bergslag shaft is sunk and a modern industrial area established
<b>1949</b>	Stora Kopparberg Bergslags AB purchases the Vulcanus mine from the Swedish government
<b>1950–1966</b>	The mining area is integrated and both the Vulcanus mine and the Bergslag shaft are used. Annual production reaches around 400 kilotons of crude ore and 220 kilotons of ore concentrate products
<b>1986–1975</b>	The Bergslag shaft is drawn down and levelled to 570 metres, the skip is upgraded to an annual capacity of 600 kilotons and the new facility begins operations in December 1975
<b>1978</b>	SSAB is founded and Stora Kopparberg Bergslags AB surrenders the Blötberget mine
<b>1979</b>	Mining operations cease
<b>1980</b>	Permits and mining rights revert to the state
<b>2007</b>	Application for a new exploration permit is approved
<b>2008</b>	The permit is transferred to Nordic Iron Ore



As far as possible, Nordic Iron will utilise green electricity. The power grid owner, Västerbergslagens Elnät AB, is working to move and adapt the existing overhead 50 kV power lines to prepare the location for the coming construction work.



Map of Ludvika Mines. Orange indicates exploitation concessions at Blötberget, Väsman and Håksberg. Purple indicates planned industrial areas and tailings dams.

The double dotted lines indicate planned tunnels that will connect the mining areas with ore concentrating plants.

## Areas with the highest contribution margin are prioritised early on

**Whittle Consulting's optimisation study has further improved Blötberget's profitability. Nordic Iron Ore's Project Director and Site Manager Markus Karlsson spoke more about the study.**

The consultancy firm, Whittle Consulting, one of the world's most reputable analysis companies in the mining industry, presented the results of the optimisation study in autumn 2020; see page 16. The study includes a plan for when to mine different sections of the mine. The mine was divided and the optimal order in which mining should be undertaken was then determined.

"Areas with the highest contribution margin are prioritised early on, thereby maximising the present value," Markus Karlsson explains.

"One way of looking at this is that Whittle has converted ore into money. To the practical extent possible, the mining plan prioritises

the highest denominations while placing the small change at the end of the mine's lifespan.

Furthermore, Whittle optimised operation of the concentration plant to maximise the production of magnetite concentrate. These measures have helped to increase the net present value by more than 50 per cent to USD 172 million.



**Markus Karlsson**



# Blötberget – high profitability, abundant ore

Ludvika Mines consists of Blötberget, the Väsman field and Håksberg. Blötberget is the first deposit that Nordic Iron Ore will process. There is ore for at least 12 years of mining and the 2020 optimisation study indicates solid profitability.

The most important event in 2020 was the completed optimisation study. In summary, it showed the net present value of USD 172 million for Blötberget, with an internal rate of return of 21.2 per cent before tax. For further information, see page 16. The optimisation study is based on the definitive feasibility study (DFS) that was concluded in 2019, and which also demonstrated solid profitability.

Nordic Iron Ore has all of the necessary permits to begin mining operations at Blötberget. The exploitation concession, which was granted by the Mining Inspectorate of Sweden in 2011, is valid for 25 years with the right to extend. The exploitation concession assigns the right of extraction and exploitation of iron, lanthanum and apatite. An environmental permit was granted in 2014.

## Average iron content near 70 per cent

In 2015 and 2016, extensive tests were conducted for optimising metallurgical concentration, on a laboratory and pilot scale, of a total of 20 tonnes of crude ore at GTK in Finland, and SGA and Weir Minerals in Germany. The test results 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.

## The Blötberget ore field and mineral resources

Mineral resources at Blötberget have been identified down to the 800-metre level, and have been estimated at 45.4 million tonnes with 41.7 per cent Fe, which are classified as measured, and 9.6 million tonnes with 36.2 per cent Fe classified as indicated. An additional 11.8 million tonnes with 36.1 per cent Fe are classified as inferred mineral resources. Of these assets, 34.1 million tonnes are classified as mineable reserves.

The majority of mining operations at the Blötberg mine prior to its closure in 1979 were conducted above the 240-metre level. Nordic Iron Ore plans to restart mining operations below previously exhausted areas, using the 420-metre level as the new main level.

The Blötberg field consists mainly of three mineralised bodies:

- The Kalvgruvan mine (high-apatite magnetite mineralisation)
- Hugget-Flygruvan (high-apatite magnetite-haematite mineralisations)
- Sandell ore (high-apatite magnetite mineralisation)

## Blötberget's resources

### VALID EXPLOITATION CONCESSIONS

NAME	MINERAL	VALIDITY PERIOD	AREA (HA)
		30 Aug 2011 – 30 Aug 2036	
Blötbergsgruvan K No. 1	Iron, lanthanum, lanthanides, apatite		126.4
Blötbergsgruvan K No. 2	Iron, lanthanum, yttrium, scandium, apatite	14 Aug 2017 – 14 Aug 2042	38.7

### MINERAL RESOURCES

	MEASURED		INDICATED		INFERRED		CLASSIFICATION
	MT	% FE	MT	% FE	MT	% FE	ACCORDING TO
Blötberget	45.4	41.7	9.6	36.2	11.8	36.1	JORC 2012

# The Väsman field – promising potential

People have known about the magnetite mineralisations under Lake Väsman since the 1800s. For Nordic Iron Ore, the Väsman field is an extremely exciting opportunity to further expand operations after mining at Blötberget is under way.

The Väsman field has a very favourable geographic location. The field is close to the Blötberget mine and its planned industrial areas and is a direct southern continuation of the iron mineralisations in the Håksberg field. This means that, in terms of logistics and infrastructure, the Väsman field may benefit from the logistics and concentration investments planned for Blötberget.

## The Väsman field's mineral resources

The southern part of the Väsman field, including the mineralisations at Finnäset, were investigated in the autumn of 2012 by core drilling down to about 300 metres. The mineral resources in the smaller part investigated through core drilling have been estimated at 7.0 million tonnes with 38.5 per cent Fe, classified as indicated resources, and 85.9 million tonnes with 38.4

per cent Fe currently classified as inferred mineral resources. The estimates were performed by Thomas Lindholm of GeoVista AB, a Qualified Person according to the JORC standard.

## The Väsman field's resources

### EXPLOITATION CONCESSIONS

MINERAL	VALIDITY PERIOD	AREA (HA)
	20 Dec 2017	
Iron	– 20 Dec 2042	115.4

### MINERAL RESOURCES

	INDICATED		INFERRED		CLASSIFICATION
	MT	% FE	MT	% FE	ACCORDING TO
Väsman	7.0	38.5	85.9	38.4	JORC

## Smart Exploration – for a greener mining industry

**Nordic Iron Ore is an important partner of the EU-financed Smart Exploration project, which is sharply focused on developing new efficient and eco-friendly prospecting methods.**

Smart Exploration is a collaboration between 27 universities and companies in 11 different countries. In autumn 2020, AMKVO and SGU (Geological Survey of Sweden) collaborated with Nordic Iron Ore to conduct a geophysical survey of Blötberget by drone. The public, such as schools and Ludvika Municipality, was invited to an Open House event held at Blötberget's former mining area.

"It was great to be able to show the local community how the project was progressing. It was also important to encourage the younger generation to get involved in the local business community, and its development. The surveys went really well, and showed mineralisations extending to the west of and beneath previously known deposits," explained Paul Marsden, Nordic Iron Ore's Technical sales & Marketing Director and a member of the Smart Exploration's Executive Board.

Traditional exploration is far too dependent on extensive and expensive drilling to chart mineralisations. Uppsala University and SGU have developed two electromagnetic surveying

systems that can link up with seismic measurements to provide excellent data. Using a terrestrial power source and airborne drones, large areas can be surveyed down to a depth of 1.2 kilometres without any drilling.

"The results are compiled and rendered into 3D models, and compared with Nordic Iron Ore's own data. The result from this modelling not only confirmed already known resources but revealed additional mineralisation and provided a better understanding of the geological structures. This, in turn, allows for improved operational designs for mine construction," Marsden explained.

The Smart Exploration project is now completed, and a total of five prototypes and six methodological solutions were developed, all of which are now available to the mining industry. These solutions enable the mining industry

to obtain high-resolution and detailed surface surveys, as well as modelling algorithms suited to deep-exploration techniques without drilling. Four of these were tested at Blötberget, Väsman and Håksberg.



**Paul Marsden**

# Håksberg

## – a historical field

**Håksberg is Ludvika Mines' third field with a long history. The area was mined from the 1700s until 1979. Nordic Iron Ore has been granted both an exploitation concession and an environmental permit for Håksberg.**

Håksberg is the third field that Nordic Iron Ore will process after Blötberget and the Väsman field. 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 comprise approximately 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-metre level, historical deep-hole drilling down to around 800 metres suggests that the ore bodies continue to depth. Current mineral resource estimates indicate at least 11.6 million tonnes with an iron content of around 36.0 per cent. The estimates were performed by Thomas Lindholm of GeoVista AB, a Qualified Person according to the JORC standard.

The company's exploitation concession application 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.

### Håksberg's resources

#### EXPLOITATION CONCESSIONS

MINERAL	VALIDITY PERIOD	AREA (HA)
Iron, copper, gold, molybdenum	15 Dec 2011 – 15 Dec 2036	136.3

#### MINERAL RESOURCES

	INDICATED		INFERRED		CLASSIFICATION
	MT	% FE	MT	% FE	ACCORDING TO
Håksberg	25.4	36.4	11.6	36.0	JORC





# Sustainable mining of the future

**Nordic Iron Ore contributes to the development of a more sustainable society. Mining operations are designed with modern technology to minimise impact in the form of noise, vibrations and emissions into the air and water. The company has close communication with the County Administrative Board, the municipality and local residents.**

Sustainable development means meeting the needs of the present without compromising the ability of future generations to meet their own needs. More specifically, this entails the long-term conservation of the productive capacity of water resources, the earth and ecosystems, and minimising negative impacts on nature 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.

When Nordic Iron Ore plans the coming operations, these three sustainability aspects will be high priorities. Within financial sustainability, we will use efficient and modern mining methods and machines with the lowest possible energy consumption, meaning that Nordic Iron Ore will help save resources.

Within social sustainability, the company aims to contribute the development of the area around Ludvika. The first operation at Blötberget alone is expected to employ over 200 people. When the planned operations at Väsman and Håksberg are under way, the positive effects on the community will be even greater.

Our focus is on environmental sustainability. Several factors will be weighed in the planning prior to the start of production, such as electric vehicles instead of diesel and minimising emissions into waterways. Since mining occurs underground, no lasting damage is done to the landscape. Over time, the company intends to certify its operations in accordance with ISO 14001, and to use the environmental objectives of Dalarna as its beacon for environmental work.

In 2020, the company worked with a series of programmes related to sustainability in anticipation of the coming mining operations. One was the control programme for monitoring groundwater levels in extraction boreholes and water quality. In addition, work was undertaken on compensation zones for nature conservation values (see separate text on page 23). In February 2021, Nordic Iron Ore submitted an application to the County Administrative Board for the approval of a groundwater control programme, which was subsequently granted.

## 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 career-advancing employment 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 which 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

Continuous mining activities requires permits from the Land and Environment Court under 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 the management of land, water and the physical environment in general, as well as economising with materials, raw materials and energy.

In 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 nature conservation values that will be lost at the restart of production at the Blötberget and Håksberg mines. The judgement also required a restoration fund to be built up over time, beginning with a major allocation once the permit is utilised through the commencement of construction.

## Preserving key nature conservation values

**Starting up a mining operation entails taking substantial considerations for the environment. Emma Bäckström is one of Nordic Iron Ore's employees working specifically on these issues.**

Mines, as with all other industrial operations, must fulfil the regulations of the Swedish Environmental Code. Compliance is monitored by the Land and Environment Court. At Nordic Iron Ore, intensive work is under way on several fronts, two of which pertain to the programmes for monitoring water extraction boreholes and compensation zones for nature conservation values.

When the existing mine at Blötberget is drained of water, there could be

consequences for individual water catchments (proprietary potable water wells) and power generation wells (such as geothermal heat wells). This is due to the possible lowering of water tables.

"That's why we are already measuring the water levels and water quality of wells. It will provide us with crucial comparative reference values when the mine is drained," Emma Bäckström explained.

When the mine is built, the natural environment will be impacted. Through the programme to create compensation zones, Nordic Iron Ore offsets nature conservation values that are impacted with measures in the other direction. For example, the old tailings dam has

come to life and the unkempt primary forest has become a potential breeding ground for species such as the rare white-backed woodpecker. When operations resume in the area, the forest will be felled, which impacts its potential function as a breeding ground.

"One way to support the white-backed woodpecker is to thin out coniferous trees and recreate deciduous woodland environments in other areas. The woodpeckers can build nests and the dead wood creates habitats for more insects, which in turn feed the birds.

Nordic Iron Ore will also compensate for coniferous lime forests, brook environments, deciduous forests and lakes with riparian zones.



**Emma Bäckström**

# Share capital and ownership structure

**Nordic Iron Ore's share was listed on Nasdaq First North Stockholm on 1 October 2018. At 31 December 2020, the company's market capitalisation was SEK 89.0 million. The last price paid for Nordic Iron Ore's share in 2020 was SEK 2.65.**

The First North Growth Market is an alternative market-place operated by the various exchanges that are part of NASDAQ OMX. It does not have the same legal status as a regulated market. Investing in a company traded on First North entails more risk than investing in a company traded on a regulated market. All companies whose shares are admitted for trading on First North have a Certified Advisor who monitors regulatory compliance. Nordic Iron Ore's Certified Advisor is Wildeco.

**Ticker:** NIO  
**ISIN code:** SE0011528017

## Dividend policy

Nordic Iron Ore is in an expansive phase of growth, where any surplus capital in operations is invested in operations and/or acquisitions. The company has not provided any dividend to its shareholders since it was founded and has therefore not adopted a dividend policy.



## Owners at January 2021

### SHAREHOLDERS 31 DEC 2020

Shareholders	No. of shares	Share of votes and capital
Bengtssons Tidnings AB	7,799,238	23.22%
Ludvika Holding AB	4,453,483	13.26%
Whittle Equity Pty Ltd	2,327,689	6.93%
Skålpussen AB	1,106,000	3.29%
Kopparinvest AB	884,160	2.63%
Emil Nilsson	795,204	2.37%
Björn Israelsson	725,000	2.16%
Jonas Bengtsson	524,105	1.56%
Fredrik Attefall	495,339	1.47%
Johan Flink	410,000	1.22%
Others	14,061,748	41.87%
<b>Total</b>	<b>33,582,993</b>	<b>100%</b>



### Development of share capital

The table below shows the development of the company's share capital since its founding.

#### YEAR

Year	Event	Change in No. of shares	Change in share capital, SEK	Total No. of shares	Total share capital, SEK	Quotient value, SEK*
2008	Founded	1,000	100,000.00	1,000	100,000.00	100.00
2008	Split	11,000	–	12,000	100,000.00	8.33
2010	Non-cash issue <sup>1</sup>	18,400	153,333.33	30,400	253,333.33	8.33
2010	Warrants <sup>2</sup>	14,000	116,666.76	44,400	370,000.00	8.33
2010	Bonus issue	–	400,000.00	44,400	770,000.00	17.34
2010	New share issue <sup>3</sup>	6,940	120,355.86	51,340	890,355.86	17.34
2011	New share issue <sup>4</sup>	26,500	459,572.072	77,840	1,349,927.932	17.34
2011	Split	7,706,160	–	7,784,000	1,349,927.932	0.17
2012	Offset issue <sup>5</sup>	3,708,738	643,182.042481	11,492,738	1,993,109.974481	0.17
2014	New share issue <sup>6</sup>	1,606,000	278,518.018858	13,098,738	2,271,627.993339	0.17
2014	New share issue <sup>7</sup>	745,099	129,217.619759	13,843,837	2,506,785.647201	0.17
2014	Offset issue <sup>8</sup>	610,875	105,940.034103	14,454,712	2,377,568.027442	0.17
2014	Offset issue <sup>9</sup>	56,000	9,711.711741	14,510,712	2,516,497.358942	0.17
2015	Offset issue <sup>10</sup>	3,112,501	539,780.580457	17,623,213	3,056,277.939399	0.17
2015	New share issue <sup>11</sup>	14,837,741	2,573,211.847852	32,460,954	5,629,489.787251	0.17
2016	New share issue <sup>12</sup>	4,084,596	708,364.623758	36,545,550	6,337,854.411009	0.17
2017	New share issue <sup>13</sup>	73,091,100	12,675,708.822018	109,636,650	19,013,563.233027	0.17
2018	Offset issue <sup>14</sup>	16,370,000	2,838,941.450005	126,006,650	21,852,504.683032	0.17
2018	New share issue <sup>15</sup>	73,091,100	12,675,708.822018	199,097,750	34,528,213.505050	0.17
2018	Reverse share split	-179,187,975	–	19,909,775	34,528,213.505050	1.73
2019	Warrants exercised <sup>16</sup>	68,419	118,654	19,978,194	34,646,868	1.73
2019	Rights issue <sup>17</sup>	9,991,276	17,327,213	29,969,470	51,974,081	1.73
2020	Private placement <sup>17</sup>	400,000	693,694	30,369,470	52,667,775	1.73
2020	Conversion <sup>18</sup>	885,834	1,536,244	31,255,304	54,204,018	1.73
2020	Private placement <sup>19</sup>	2,327,689	4,036,758	33,582,993	58,240,776	1.73

\* Rounded to two decimal places.

1. The subscription price was SEK 450.00 per share and was paid with a non-cash consideration.

2. New share issue through the exercise of warrants. The subscription price was SEK 8.33 per share.

3. The subscription price was SEK 500 per share.

4. The subscription price was SEK 850 per share.

5. The subscription price was SEK 17 per share, and was paid by offsetting receivables.

6. The subscription price was SEK 25 per share.

7. The subscription price was SEK 25 per share.

8. The subscription price was SEK 20 per share and was paid by offsetting receivables.

9. The subscription price was SEK 25 per share and was paid by offsetting receivables.

10. The subscription price was SEK 1.00 per share and was paid by offsetting receivables.

11. The subscription price was SEK 1.00 per share.

12. The subscription price was SEK 1.00 per share.

13. The subscription price was SEK 0.25 per share. The new share issue was registered in two stages: share capital increased by SEK 9,958,369.102110 at the first registration, and by SEK 2,717,339.719908 at the second.

14. The subscription price was SEK 0.50 per share and was paid by offsetting receivables.

15. The new share issue comprised units consisting of two shares and a warrant that was free of charge. Each unit was issued at a price of SEK 1.00, meaning a subscription price of SEK 0.50 per share since the warrant was issued free of charge.

16. The subscription price was SEK 10.00 per share.

17. The subscription price was SEK 2.50 per share.

18. The conversion price was SEK 9.02 per share.

19. The issue price was SEK 2.57 per share.

# Corporate governance report 2020

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

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 sets more stringent requirements. The company's shares have been admissible for trading on Nasdaq First North Growth Market since 1 October 2018. Since this trading venue is not 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 company has appointed Wildecos Ekonomisk Information AB as its Certified Advisor in order to fulfil the requirements for listing on Nasdaq First North.

### The share

The share capital at the end of the financial year totalled SEK 58,240,776 distributed among 33,582,993 shares, with a quotient value of SEK 1.734 per share.

The company's Articles of Association stipulate a share capital of not less than SEK 34,000,000 and not more than SEK 136,000,000, and a maximum number of shares totalling 76,000,000. No limitations apply to the transferability of shares under the Articles of Association or applicable legislation. At the 2020 AGM, a resolution was passed to authorise the Board to issue financial instruments with or without pre-emptive rights for existing shareholders. Under this authorisation, share issues may comprise in total the maximum number of shares, convertibles or warrants that fall 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 Ludvika Municipality, 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 2020 AGM was held on 29 June at Kajkrogen 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, Gösta Bergman, Tomas Olofsson and Timo Lindborg. 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 2020, 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 company's Board 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 in the mining industry 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 2020, the Board held 16 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 29 June 2020.

Information about the Board and senior executives is available on the company's website [www.nordicironore.se](http://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.

Lennart Eliasson has been Managing Director of the company since September 2018. He was previously the company's Chief Financial Officer. 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 Annual Report.

#### Insider register and insider policy

Before listing of the company's share on Nasdaq First North, the Board of Directors adopted an information policy that includes rules for managing insider information. The policy regulates procedures for the periods during which people in senior positions and other insiders are not permitted to trade shares or other financial instruments issued by the company.

#### Audit

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

The 2020 AGM re-elected the company's auditor, Öhrlings PricewaterhouseCoopers AB, with Anders Hvittfeldt as auditor-in-charge for the period until the 2021 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. Requirements with respect to the company's disclosure of information are mainly set forth by law and NASDAQ OMX rules for First North Growth Market.

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.



# Board of Directors and Management

## Nordic Iron Ore's Board of Directors

According to the company's Articles of Association, the Board of Directors must have at least three members and no more than ten members, with a maximum of ten deputies. The company's Board of Directors currently consists of four Board members and no deputies. Board members are elected for the period until the end of the 2020 AGM.



### TOMAS OLOFSSON

**Board member** and Chairman of the Board since May 2017 (Deputy Board member 2014–2016)

**Born:** 1968

**Other assignments:** Managing Director of Lemont AB; owner, partner and Board member of Ludvika Holding AB, Grytänge Invest AB, Fastighets AB, Morgårdshammar AB, Datorama AB, Badhusudden AB, A.Rentall AB and Mecapto AB, as well as Svanströms Lackeringar AB and Rondic Invest AB.

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

Independent of the company and its senior management/Not independent of major shareholders.

**Holdings in the company:** 4,453,483 shares held through companies.



### JONAS BENGTSOON

**Board member** since 2011

**Born:** 1969

**Education:** MBA, Stockholm University.

**Other assignments:** Board member of Bengtssons Tidnings AB and subsidiaries; Board member of Zensum AB, Jonas Bengtsson Invest AB and subsidiaries, and Svenska Nyttobostäder AB and subsidiaries.

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

Independent of the company and its senior management/Not independent of major shareholders.

**Holdings in the company:** 524,105 shares directly and 7,799,238 through companies.



### TIMO LINDBORG

**Board member** since 2019

**Born:** 1955

**Education:** PhD and MSc in Civil Engineering, Water and Environmental Engineering, BSc in Geology and Adjunct Professor, Business Processes of the Mining Industry, at the University of Oulu in Finland.

**Other assignments:** Timo Lindborg is an independent consultant and senior specialist at Teknoventure Oy, and Managing Director of Arkkitehti- ja ympäristösuunnittelu Hentilä & Lindborg Oy.

**Background:** Timo Lindborg has more than 35 years of experience in mining projects and companies in the Nordic region, including Managing Director of Sotkamo Silver AB, Endomines AB (publ), Endomines Oy and Kalviniit Oy.

He is independent in relation to the company and its management and in relation to its major shareholders.

**Holdings in the company:** 55,300 shares held through companies.



### GÖSTA BERGMAN

**Board member** since August 2018

**Born:** 1950

**Education:** LL.B, Stockholm University.

**Other assignments:** Owner of Advokatfirman Bergman & Partners AB, Chairman of the Board of OptiMobile AB, Board member of Sensor Fonder AB.

**Background:** Corporate lawyer since 1978 with experience from several major companies such as Ericsson, Unisys, Ovako Steel. Chairman of the Board of Grängesberg Iron AB.

Independent of the company and its senior management, as well as major shareholders

**Holdings in the company:** –

## The company's management consists of the following senior executives.



**LENNART ELIASSON**  
Managing Director since  
September 2018.

**Born:** 1956

**Education:** MBA, Uppsala University.

**Background:** Lennart Eliasson has worked as an Authorised Public Accountant at KPMG, where he was a partner and worked as a specialist in financial analysis and valuation issues. He subsequently worked as an advisor for ten years, primarily concerning raising venture capital and IPOs.

**Other assignments:** Board member of the subsidiary Ludvika Gruvor AB.

**Holdings in the company:**  
50,000 shares.



**MARKUS KARLSSON**  
Project Director since  
September 2018.

**Born:** 1973

**Education:** Mining Engineer, Helsinki University of Technology

**Background:** Markus Karlsson has over 25 years' experience in mine development and operations from companies such as LKAB, Northland Resources, Arcelor Mittal, Northern Iron and Newcrest Mining Ltd.

**Holdings in the company:** –



**HANS THORSHAG**  
CTO since 2011.

**Born:** 1950

**Education:** Mining Engineer, the Royal Institute of Technology in Stockholm.

**Background:** 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 as defined by SveMin's regulatory framework.

**Other assignments:** Board member, Mitheko AB.

**Holdings in the company:**  
14,000 shares.



**PAUL MARSDEN**  
Advisor in Marketing and Product Development

**Born:** 1957

**Education:** Bachelor of Science in Geological Sciences, Aston University, Birmingham, Chartered Engineer (C Eng) and Chartered Scientist (CSci)

**Background:** Paul Marsden has been Nordic Iron Ore's Technical Sales and Marketing Director since 2011, and previously held various executive positions over five years at Northland Resources including as VP, Business Development. Prior to this, 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 manager, included responsibility for preliminary 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 (IOM) and its regulatory framework.

**Other assignments:** Elected Representative, Member's Benevolent Trust of IOM3.

**Holdings in the company:**  
17,740 shares.

# Administration Report

The Board of Directors and Managing Director of Nordic Iron Ore AB (publ), Corp. Reg. No. 556756-0940, hereby submit the following Annual Report and consolidated financial statements for the financial year from 1 January 2020 to 31 December 2020.

## OPERATIONS

The company's operations comprise exploration, project development and mining operations, principally through the management and refinement of the exploitation concessions held for iron-ore deposits in Västerbergslagen. The company has all the necessary permits, including environmental permits, for the initial project in Blötberget.

### Significant events during the financial year

#### *Project development*

The feasibility study for Blötberget was supplemented during the year with an optimisation study. The optimisation study was based on the assumptions made in the feasibility study but showed substantially increased profitability for the project.

Important improvements from the study include:

- The pre-tax NPV at an interest rate of 8% increased more than 50% to USD 172 million.
- The total production cost/tonne of end product decreased from USD 56.9 to USD 51.25
- The project's internal rate of return (IRR) before tax rose from 15.4% to 21.2%

The study is to provide the basis for deciding on funding the project and has therefore been based on the feasibility study, which prioritised verifiable costs and was therefore not based on the latest technological developments in the mining industry. The assumed future iron ore price also remains unchanged from the feasibility study. The assumption uses an average price of USD 100 per tonne FOB Oxelösund for a product with an average iron content of 69%.

The company is now working together with potential suppliers to specify the final design of the facilities.

Tests and analyses of the water quality and control of the water levels are conducted regularly. A control programme that must be followed prior to and during the operations of the mine is being drawn up in collaboration with the County Administrative Board, which approved the programme after the end of the financial year.

The company has given the power grid owner, Västerbergslagens Elnät AB, the task of moving and adapting the existing overhead 50 kV power lines. Work is ongoing to prepare the site for the coming construction at the planned industrial area. This work has been delayed due to delivery problems caused by the pandemic but which is expected to be completed in spring 2021.

#### *Covid-19*

In addition to the above delivery problems, the pandemic delayed work due to cancelled or deferred in-person meetings. The primary effect is that activities have progressed more slowly since collaboration partners have, for example, shut down test facilities while all personnel have worked remotely. Moreover, contact with public agencies and their processing times could also negatively impact the implementation times for some activities in 2021.

During part of the year, the company utilised the possibility to furlough staff.

#### Funding

The loan outstanding, corresponding to SEK 7,990,219 including interest, was converted to 885,834 new shares in June.

The company carried out a private placement of 2,327,689 shares as payment in kind for the completed optimisation study.

In August, the company raised a short-term loan of SEK 5 million. The loan matured in February 2021 and was replaced with a new short-term convertible loan.

#### Customers

The company has maintained regular contact with a number of major international companies that have shown interest in marketing the company's future production. This confirms that NIO will produce an in-demand product that can sell at a premium price.

#### Permits

The company has four exploitation concessions, of which three include environmental permits and detailed development plans registered with the municipality for constructing industrial areas.

During the year, an exploration permit was also granted for an area adjacent to Blötberget's exploitation concessions.

#### EVENTS AFTER THE END OF THE FINANCIAL YEAR

The company raised short-term borrowings of around SEK 20.9 million to settle a short-term loan and to cover working capital requirements during the work with securing funding of the detailed studies and other preparations for the actual construction works. Around half of the borrowings are convertible while the remainder comprises a customary loan facility.

The company has placed an order for valuation appraisals of the land areas that will need to be acquired prior to the construction start.

#### EMPLOYEES

During the financial year, the average number of employees was three (three). All were employed by the Parent Company. Three individuals were contracted under employment-like forms, but were engaged on a part-time, consultancy basis.

#### FINANCIAL POSITION, CASH BALANCE AND FUTURE CAPITAL REQUIREMENTS

On the balance-sheet date, the Group had liquidity of SEK 5.2 million. The equity/assets ratio was 93.23%. Consolidated equity was SEK 153.7 million, corresponding to SEK 4.58 per share.

The start of construction will require extensive financial resources comprising equity and borrowings. The required financing will be estimated more closely in conjunction with the start of detailed development planning.

#### RISKS AND UNCERTAINTIES

In addition to the risks associated with future global market prices for iron ore products and the exchange rate between SEK and USD, which affect the profitability of the project and the technical risks, the possibility of starting up operations depends on the requisite permits from authorities as well as meeting their terms and conditions, and on meeting the substantial requirement for capital. Nordic Iron Ore has obtained all the necessary permits, but implementation of the project requires that the company raise the necessary capital.

#### FUTURE PROGRESS

Expanding our ownership base and securing financing for construction are our most important ongoing activities. At the same time, work is ongoing to produce the feasibility study to optimise the assumptions made and support them with tenders from suppliers as well as to evaluate the possibilities for leveraging the latest technological developments in the mining industry in order to make the mine more environmentally friendly and more profitable. The goal is to raise money in several stages, the first of which will finance completion of these detailed studies.

Raising finance was made more complex during the year by the pandemic and its consequences for the financial markets as well its impact on possibilities to travel to in-person meetings and to visit sites. It remains impossible to determine how long-term and comprehensive these consequences will be, but we must expect delays due to delivery problems and protracted processing times.

#### PROPOSED APPROPRIATION OF PROFITS

Funds at the disposal of the AGM:

	Amounts in SEK
Retained earnings	-162,822,487
Share premium reserve	219,818,659
Profit/loss for the year	-9,088,380
<b>Total</b>	<b>47,907,792</b>

The Board proposes that the profit, SEK 47,907,792, 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	2020	2019
Other external costs	6, 7, 8	-4,296	-4,961
Personnel expenses	8	-3,184	-3,724
Depreciation of property, plant and equipment	11.12	-827	-827
<b>Total operating expenses</b>		<b>-8,306</b>	<b>-9,512</b>
<b>Operating profit/loss</b>		<b>-8,306</b>	<b>-9,512</b>
Financial income		-	-
Financial expenses		-715	-1,643
<b>Net financial expense</b>		<b>-715</b>	<b>-1,643</b>
<b>Profit/loss after financial items</b>		<b>-9,021</b>	<b>-11,155</b>
Tax	9	-	-
<b>Profit/loss for the year</b>		<b>-9,021</b>	<b>-11,155</b>
<b>Other comprehensive income</b>			
<b>Attributable to:</b>			
Parent Company shareholders		-9,021	-11,155

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Amounts in SEK 000	Note	2020	2019
Profit/loss for the year		-9,021	-11,155
Other comprehensive income		-	-
<b>Total other comprehensive income</b>		<b>-9,021</b>	<b>-11,155</b>
<b>No. of shares</b>			
No. of shares at year end		33,582,993	29,969,470
Average No. of shares (before dilution)		30,930,590	20,191,563
Average No. of shares (after dilution)		30,930,590	20,191,563
<b>Earnings per share</b>	10		
Earnings per share, weighted average before dilution, SEK		-0.29	-0.55
Earnings per share, weighted average after dilution, SEK		-0.29	-0.55

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK 000	Note	31 Dec 2020	31 Dec 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalised expenditure pertaining to exploration and evaluation	11	156,723	149,364
<b>Property, plant and equipment</b>			
Machinery and equipment	12	–	–
Right-of-use assets	13	2,421	3,248
<b>Financial assets</b>			
Other non-current receivables	15	31	31
<b>Total non-current assets</b>		<b>159,175</b>	<b>152,644</b>
<b>Current assets</b>			
Other receivables	15, 16	314	434
Prepaid expenses and accrued income	17	226	342
Cash and cash equivalents	16, 19	5,195	12,964
<b>Total current assets</b>		<b>5,735</b>	<b>13,740</b>
<b>TOTAL ASSETS</b>		<b>164,910</b>	<b>166,384</b>
<b>EQUITY</b>			
<b>Equity attributable to Parent Company shareholders</b>			
Share capital	20	58,241	51,974
Other contributed capital		219,818	211,148
Retained earnings including comprehensive income for the year		-124,314	-115,295
<b>Total equity</b>		<b>153,745</b>	<b>147,827</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	16, 21	–	–
Lease liabilities	13	2,211	2,590
		<b>2,211</b>	<b>2,590</b>
<b>Current liabilities</b>			
Borrowings	16, 21, 25	5,213	8,808
Lease liabilities	13	379	770
Accounts payable		160	2,689
Other liabilities	16, 22	120	145
Accrued expenses and deferred income	16, 23	3,081	3,555
<b>Total current liabilities</b>		<b>8,953</b>	<b>15,966</b>
<b>Total liabilities</b>		<b>11,164</b>	<b>18,557</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>164,910</b>	<b>166,384</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK 000	Attributable to Parent Company shareholders			Total equity
	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	
<b>Opening equity, 1 Jan 2019</b>	<b>34,528</b>	<b>206,263</b>	<b>-104,140</b>	<b>136,651</b>
Profit/loss for the year			-11,155	-11,155
Other comprehensive income			-	-
New share issue	17,446	8,211		25,657
Issue costs		-3,326		-3,326
<b>CLOSING EQUITY, 31 Dec 2019</b>	<b>51,974</b>	<b>211,147</b>	<b>-115,295</b>	<b>147,827</b>
<b>Opening equity, 1 Jan 2020</b>	<b>51,974</b>	<b>211,147</b>	<b>-115,295</b>	<b>147,827</b>
Profit/loss for the year			-9,021	-9,021
Other comprehensive income			-	-
New share issue	6,267	8,702		14,969
Issue costs		-30		-30
<b>CLOSING EQUITY, 31 Dec 2020</b>	<b>58,241</b>	<b>219,819</b>	<b>-124,316</b>	<b>153,745</b>

## CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK 000	Note	2020	2019
<b>Operating activities</b>			
Profit/loss for the year		-9,021	-11,155
Adjustment for non-cash items			
Depreciation, amortisation and impairment		827	827
Other non-cash items		-895	-715
		<b>-9,088</b>	<b>-11,043</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) in operating receivables		236	279
Increase (+)/Decrease (-) in operating liabilities		-2,665	3,806
<b>Cash flow from operating activities</b>		<b>-11,517</b>	<b>-6,958</b>
<b>Investing activities</b>			
Acquisition of intangible assets		-1,251	-12,106
<b>Cash flow from investing activities</b>		<b>-1,251</b>	<b>-12,106</b>
<b>Financing activities</b>			
New share issue, net of issue costs		-	14,875
Borrowings	24	5,000	12,000
Debt repayment	24	-	-4,000
<b>Cash flow from financing activities</b>		<b>5,000</b>	<b>22,875</b>
<b>Cash flow for the year</b>		<b>-7,768</b>	<b>3,811</b>
Opening cash and cash equivalents		12,964	9,153
<b>Closing cash and cash equivalents</b>		<b>5,195</b>	<b>12,964</b>

**PARENT COMPANY INCOME STATEMENT**

Amounts in SEK 000	Note	2020	2019
<b>Operating expenses</b>			
Other external costs	6, 7, 8	-5,219	-5,866
Personnel expenses	8	-3,184	-3,724
Depreciation, amortisation and impairment	11, 12, 13	–	–
<b>Total operating expenses</b>		<b>-8,403</b>	<b>-9,590</b>
<b>Operating profit/loss</b>		<b>-8,403</b>	<b>-9,590</b>
<b>Profit/loss from financial items</b>			
Interest income		–	–
Interest expenses		-686	-1,613
<b>Total profit/loss from financial items</b>		<b>-686</b>	<b>-1,613</b>
<b>Profit/loss after financial items</b>		<b>-9,088</b>	<b>-11,203</b>
Tax	9	–	–
<b>Profit/loss for the year</b>		<b>-9,088</b>	<b>-11,203</b>

**PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME**

Amounts in SEK 000	Note	2020	2019
Profit/loss for the year		-9,088	-11,203
Other comprehensive income		–	–
<b>Total other comprehensive income</b>		<b>-9,088</b>	<b>-11,203</b>



## PARENT COMPANY BALANCE SHEET

Amounts in SEK 000	Note	31 Dec 2020	31 Dec 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Intangible assets</i>			
Capitalised expenditure pertaining to exploration and evaluation	11	156,438	149,205
		<b>156,438</b>	<b>149,205</b>
<i>Property, plant and equipment</i>			
Machinery and equipment		–	–
		<b>–</b>	<b>–</b>
<i>Financial assets</i>			
Participations in Group companies	14	50	50
Other non-current receivables	15	31	31
		<b>81</b>	<b>81</b>
<b>Total non-current assets</b>		<b>156,519</b>	<b>149,286</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Other receivables	17	314	434
Prepaid expenses and accrued income	18	226	342
Cash and bank balances	19	5,152	12,921
<b>Total current assets</b>		<b>5,692</b>	<b>13,697</b>
<b>TOTAL ASSETS</b>		<b>162,211</b>	<b>162,983</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	20	58,241	51,974
Reserve for development expenditures		47,487	40,154
		<b>105,728</b>	<b>92,128</b>
<i>Non-restricted equity</i>			
Share premium reserve		219,819	211,148
Retained earnings		-162,822	-144,286
Profit/loss for the year		-9,088	-11,203
		<b>47,908</b>	<b>55,659</b>
<b>Total equity</b>		<b>153,636</b>	<b>147,786</b>
<b>Non-current liabilities</b>			
Borrowings		–	–
		<b>–</b>	<b>–</b>
<b>Current liabilities</b>			
Borrowings	21	5,213	8,808
Accounts payable		160	2,689
Other current liabilities	22	120	145
Accrued expenses and deferred income	23	3,082	3,555
<b>Total current liabilities</b>		<b>8,575</b>	<b>15,197</b>
<b>Total liabilities</b>		<b>8,575</b>	<b>15,197</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>162,211</b>	<b>162,983</b>

## PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amounts in SEK 000	Restricted equity		Non-restricted equity			Total equity
	Share capital	Reserve for development expenditures	Share premium reserve	Retained earnings	Profit/loss for the year	
<b>Opening equity, 1 Jan 2019</b>	<b>34,528</b>	<b>28,063</b>	<b>206,263</b>	<b>-122,031</b>	<b>-10,164</b>	<b>136,659</b>
Appropriation of profits				-10,164	10,164	-
New share issue	17,446		8,211			25,657
Issue costs			-3,326			-3,326
Capitalisation of development expenditures		12,091		-12,091		-
Comprehensive income for the year					-11,203	-11,203
<b>CLOSING EQUITY, 31 Dec 2019</b>	<b>51,974</b>	<b>40,154</b>	<b>211,147</b>	<b>-144,286</b>	<b>-11,203</b>	<b>147,787</b>
<b>Opening equity, 1 Jan 2020</b>	<b>51,974</b>	<b>40,154</b>	<b>211,147</b>	<b>-144,286</b>	<b>-11,203</b>	<b>147,786</b>
Appropriation of profits				-11,203	11,203	-
New share issue	6,267		8,702			14,969
Issue costs			-30			-30
Capitalisation of development expenditures		7,334		-7,334		-
Comprehensive income for the year					-9,088	-9,088
<b>Closing equity, 31 Dec 2020</b>	<b>58,241</b>	<b>47,488</b>	<b>219,821</b>	<b>-162,823</b>	<b>-9,088</b>	<b>153,637</b>

## PARENT COMPANY CASH FLOW STATEMENT

Amounts in SEK 000	Note	2020	2019
<b>Operating activities</b>			
Profit/loss for the year		-9,088	-11,203
Adjustment for non-cash items			
Depreciation, amortisation and impairment		-	-
		<b>-9,088</b>	<b>-11,203</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) in operating receivables		236	279
Increase (+)/Decrease (-) in operating liabilities		-2,665	3,966
<b>Cash flow from operating activities</b>		<b>-11,517</b>	<b>-6,958</b>
<b>Investing activities</b>			
Acquisition of intangible assets		-1,251	-12,106
<b>Cash flow from investing activities</b>		<b>-1,251</b>	<b>-12,106</b>
<b>Financing activities</b>			
New share issue, net of issue costs		-	14,875
Borrowings	24	5,000	12,000
Debt repayment		-	-4,000
<b>Cash flow from financing activities</b>		<b>5,000</b>	<b>22,875</b>
<b>Cash flow for the year</b>		<b>-7,768</b>	<b>3,811</b>
Opening cash and cash equivalents		12,921	9,110
<b>Closing cash and cash equivalents</b>		<b>5,152</b>	<b>12,921</b>

# Notes to the financial statements

## 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 (publ), the Nordic Iron Ore Group consists of the wholly owned subsidiary Ludvika Gruv 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 thousand 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 23 April 2021.

## Note 2 Summary of important accounting policies

### BASIS FOR PREPARING THE STATEMENTS

The following accounting and valuation policies pertain to 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 accounts have been prepared in accordance with RFR 2, Accounting for Legal Entities, and the 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.

### IFRS 16 Leases

IFRS 16 has been applied by the Group from 1 January 2019. IFRS 16 has replaced IAS 17 and under the new standard, the lessee recognises the obligation to make lease payments as a lease liability in the balance sheet. The right to use the underlying asset over the lease period is recognised as an asset. Depreciation of the asset is recognised in profit or loss as is the interest payable on the lease liability. Lease payments are recognised partly as the payment of interest and partly as repayment of the lease liability. Payments on short-term leases (leases with a term under 12 months) and low-value leases are exceptions.

Lease costs comprise rent for premises and land leases.

### 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 exploration to 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 exploration permits 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 tested for impairment when reclassified to tangible or intangible assets, or whenever facts and circumstances indicate that the carrying amount might 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 the 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 is 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 exploration permits 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 the asset's 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

On the asset side, financial instruments recognised in the balance sheet encompass cash and cash equivalents, loans receivable and other current assets. The liabilities side encompasses borrowings, accounts payable, lease liabilities and other current liabilities.

### Recognition and derecognition from the balance sheet

Financial assets and liabilities are recognised in the balance sheet when the company becomes party to the instruments' contractual terms. Liabilities are recognised when the counterparty has delivered and the company is contractually obliged to settle the obligation, even if no invoice has been received.

A financial asset is derecognised from the balance sheet when the rights under the agreement have been realised, expired or when control of the contractual rights is lost. The same applies to a portion of a financial asset. A financial liability is derecognised when the obligation specified in the contract is discharged or otherwise expires.

A financial asset and a financial liability are offset and presented in a net amount in the balance sheet only if there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### Recognition and measurement

On initial recognition, financial assets are recognised at fair value through profit or loss, amortised cost or fair value through other comprehensive income. Recognition is based on the Group's business model for the administration of the financial assets and the nature of the contractual cash flows from the financial asset. A financial asset is measured at amortised cost if it is held with the aim of collecting contractual cash flows and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. If the financial asset is held with the objective of both collecting contractual cash flows and selling financial assets, it is measured at fair value through other comprehensive income. Financial assets that are not measured at amortised cost or through other comprehensive income, are measured at fair value through profit or loss.

All financial assets are measured at amortised cost.

All financial liabilities are recognised and measured at amortised cost.

## 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 issue of new shares are recognised 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 shares outstanding 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

Borrowing costs pertaining to the construction of qualifying assets are capitalised as a part of the qualifying asset's cost. A qualifying asset is an asset that necessarily take a substantial period of time to prepare. For the Group, capitalisation of interest pertains to exploration and evaluation.

## 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 essentially 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 expenses 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.

## 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.

### Leases

The Parent Company recognises all leases according to the rules for operating leases in accordance with the exemption in RFR 2. This means that the Parent Company's accounting policy for leases is unchanged.

### Recognition and measurement of financial instruments

In accordance with the exemption under RFR 2, the Parent Company does not apply IFRS 9.

Financial instruments are measured at cost, after taking into account the provisions relating to measurement contained in the Annual Accounts Act pertaining to current and non-current assets.

Interest income and interest expenses are recognised pursuant to the effective interest method.

The Parent Company applies the same policies as the Group with regard to the recognition and derecognition of financial instruments in and from the balance sheet. Moreover, the same policies pursuant to IFRS 9 are applied as for the Group with regard to the assessment and calculation of the need for impairment of receivables.

### Borrowing costs

The Parent Company continuously expenses borrowing costs.

## 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 price risk, but when operations begin the Group will be exposed to fluctuations in the price of iron ore.
- 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 2020, the Group had a cash balance of TSEK 5,195 (12,964). After the end of the year, the Group has obtained short-term credit facilities and therefore needs to strengthen its payment capacity in the second half of 2021.

### Maturity analysis

At 31 December 2020	Within 1 year	Between 1 and 5 years	More than 5 years
Interest on long-term borrowings	-213	–	–
Amortisation on long-term borrowings	-5,000	–	–
Accounts payable	-160	–	–
Lease liabilities	-501	-919	-2,070

**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 2020, the value of intangible assets, capitalised exploration and evaluation expenditure, amounted to TSEK 156,438 (149,364). 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 2020, Nordic Iron Ore AB (publ) operated within 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.

Amounts in SEK 000	2020	2019
<b>Group and Parent Company</b>		
PWC		
Audit engagement	395	495
Audit-related services	44	46
<b>Total</b>	<b>438</b>	<b>541</b>

**Note 7 Leases**

Amounts in SEK 000	31 Dec 2020	31 Dec 2019
<b>Group and Parent Company</b>		
<i>All expensed lease payments for the year amount to</i>		
Lease payments regarding rental expenses for premises and land leases	917	911
<i>Future lease payments fall due for payment as follows:</i>		
Within 1 year	909	917
Between 2 and 5 years	840	1,184
Later than 5 years	1,680	2,307

**Note 8 Remuneration of employees, etc.****Average number of employees**

	2020	2019
<b>Group and Parent Company</b>		
Average number of employees	3	3
<b>Group total</b>	<b>3</b>	<b>3</b>

**Board members – number on balance-sheet date**

	2020	2019
<b>Group and Parent Company</b>		
Board members		
Number of Board members	4	4
of whom women	–	–
<b>Total</b>	<b>4</b>	<b>4</b>

**Senior executives – number on balance-sheet date**

	2020	2019
<b>Group and Parent Company</b>		
Managing Director and other senior executives		
Men	4	4
Women	–	–
<b>Total</b>	<b>4</b>	<b>4</b>

**Salaries, other remuneration and social security contributions**

	2020	2019
<b>Group and Parent Company</b>		
Board, Managing Director and company management	3,089	3,256
Other employees	713	1,250
<b>Total</b>	<b>3,803</b>	<b>4,506</b>
Social security contributions	799	985
Pension expenses for the Board and Managing Director	324	329
Pension expenses	36	53
<b>Total</b>	<b>1,158</b>	<b>1,366</b>

TSEK 442 (801) of personnel expenses were capitalised.

The fees for the Board, Managing Director and company management include invoiced fees pertaining to the Project Director, CTO and the Advisor in Marketing and Product Development. These expenses were recognised among other external costs in profit or loss. Fees reported for 2020 amounted to TSEK 1,224 (1,391).

A mutual notice period of three months applies between the company and the Managing Director. Salary is payable under normal terms during the notice period. The Managing Director's employment ceases in conjunction with retirement at age 65 with no need to provide notice.

**2020**

Amounts in SEK 000	Fees	Salaries	Other benefits and remuneration	Pension expenses	Total remuneration
Tomas Olofsson, Chairman of the Board	200				200
Lennart Eliasson, Managing Director		1,440		324	1,764
Jonas Bengtsson, Board member	75				75
Gösta Bergman, Board member	75				75
Timo Lindborg, Board member	75				75
Other senior executives, 3 individuals	1,224				1,224
<b>Total</b>	<b>1,649</b>	<b>1,440</b>	<b>–</b>	<b>324</b>	<b>3,413</b>

**2019**

Amounts in SEK 000	Fees	Salaries	Other benefits and remuneration	Pension expenses	Total remuneration
Tomas Olofsson, Chairman of the Board	200				200
Lennart Eliasson, Managing Director		1,440		329	1,769
Jonas Bengtsson, Board member	75				75
Johnas Jansson, Board member	75				75
Michael Mattsson, Board member	75				75
Other senior executives, 3 individuals	1,391				1,391
<b>Total</b>	<b>1,816</b>	<b>1,440</b>	<b>–</b>	<b>329</b>	<b>3,585</b>

**Note 9** Income tax/tax on profit for the year

Amounts in SEK 000	%	2020	%	2019
<b>Group</b>				
Pre-tax loss		-9,021		-11,155
Tax based on the applicable tax rate for the Parent Company	21.4%	1,930	21.4%	2,387
Tax effect of				
Non-deductible expenses		-2		-4
Non-taxable income		-		-
Issue costs		6		712
Tax effect of net loss/gain from operations not recognised as deferred tax assets		-1,935		-3,095
<b>Recognised current tax expense</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>

Amounts in SEK 000	%	2020	%	2019
<b>Parent Company</b>				
Pre-tax loss		-9,088		-11,203
Tax based on the applicable tax rate for the Parent Company	21.4%	1,945	21.4%	2,397
Tax effect of				
Non-deductible expenses		-2		-4
Non-taxable income		-		-
Issue costs		6		712
Tax effect of net loss from operations not recognised as deferred tax assets		-1,949		-3,106
<b>Recognised current tax</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>

**Tax loss carry-forwards**

	2020	2019
<b>Parent Company</b>		
Tax loss carry-forwards	147,347	138,283
<b>Group</b>		
Tax loss carry-forwards	147,354	138,290

No time limit applies to the utilisation of loss carry-forwards in the Group.  
The weighted average tax rate for the Group and Parent Company is 21.4% (21.4%).

**Note 10** Earnings per share

Amounts in SEK 000	2020	2019
<b>Basic earnings per share</b>		
Earnings attributable to Parent Company shareholders	-9,088	-11,203
Average number of shares	30,930,590	20,191,563
<b>Number of shares when calculating basic earnings per share</b>	<b>30,930,590</b>	<b>20,191,563</b>
<b>Diluted earnings per share</b>		
Earnings attributable to Parent Company shareholders	-9,088	-11,203
Average number of shares	30,930,590	20,191,563
<b>Number of shares when calculating diluted earnings per share</b>	<b>30,930,590</b>	<b>20,191,563</b>

**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 30,930,590 (20,191,563).

**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 2020	31 Dec 2019
<b>Group</b>		
Accumulated cost		
At the start of the year	149,365	137,099
Acquisitions during the year	7,358	12,266
<b>Closing carrying amount</b>	<b>156,723</b>	<b>149,365</b>

Amounts in SEK 000	31 Dec 2020	31 Dec 2019
<b>Parent Company</b>		
Accumulated cost		
At the start of the year	149,205	137,099
Acquisitions during the year	7,234	12,106
<b>Closing carrying amount</b>	<b>156,438</b>	<b>149,205</b>

**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 expenses. Borrowing costs in the Group have been capitalised.

**Note 12** Property, plant and equipment

Amounts in SEK 000	31 Dec 2020	31 Dec 2019
<b>Group and Parent Company</b>		
Accumulated cost		
At the start of the year	696	696
<b>Closing accumulated cost</b>	<b>696</b>	<b>696</b>
Accumulated depreciation and impairment		
At the start of the year	-696	-696
<b>Closing accumulated depreciation and impairment</b>	<b>-696</b>	<b>-696</b>
Carrying amounts	-	-

**Depreciation**

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

**Note 13** Right-of-use assets

Amounts in SEK 000	31 Dec 2020	31 Dec 2019
<b>Group</b>		
Opening accumulated cost	4,075	-
Additional leases	-	4,075
<b>Closing accumulated cost</b>	<b>4,075</b>	<b>4,075</b>
Opening depreciation		
At the start of the year	-827	-
Depreciation and impairment for the year	-827	-827
<b>Closing accumulated depreciation and impairment</b>	<b>-1,654</b>	<b>-827</b>
<b>Closing carrying amounts</b>	<b>2,421</b>	<b>3,248</b>

Amounts in SEK 000	31 Dec 2020	31 Dec 2019
<b>Group</b>		
Opening lease liabilities	3,360	-
Additional leases	-	4,075
Repayments made	-770	-715
<b>Closing accumulated cost</b>	<b>2,590</b>	<b>3,360</b>
Future lease payments fall due for payment as follows:		
Within 1 year (undiscounted)	501	929
Between 2 and 5 years (undiscounted)	919	971
Later than 5 years (undiscounted)	2,070	2,307

Leases comprise rented premises and land leases. The lease for the premises in Danderyd runs until 31 March 2022, with the option to extend after it expires. The lease for the premises in Grängesberg is extended one year at a time. The land lease for the coming mine has a planned useful life up to and including the year 2033. Future lease payments are tied to developments in the CPI, though to a limited extent when changes are negative. Index adjustments are included in the lease liability as soon as they are applicable, at which point the right-of-use asset is adjusted.

**Note 14** Participations in Group companies

Amounts in SEK 000	31 Dec 2020	31 Dec 2019
<b>Parent Company</b>		
<i>Accumulated cost</i>		
At the start of the year	50	50
<b>Closing balance</b>	<b>50</b>	<b>50</b>

Subsidiaries/Corp. Reg. No./Reg. Office	No. of shares	Share in %	Equity	Carrying amount	Earnings
Ludvika Gruvor AB 556856-2994 Ludvika	50	100	43	50	–

**Note 15** Other non-current receivables

Amounts in SEK 000	31 Dec 2020	31 Dec 2019
<b>Group</b>		
Deposit under the Minerals Act issued to the Mining Inspectorate of Sweden	31	31
<b>Total</b>	<b>31</b>	<b>31</b>

<b>Parent Company</b>		
Deposit under the Minerals Act issued to the Mining Inspectorate of Sweden	31	31
<b>Total</b>	<b>31</b>	<b>31</b>

**Note 16** Financial instruments by category**31 Dec 2020**

Amounts in SEK 000	Financial assets recognised at amortised cost	Liabilities recognised at amortised cost	Total carrying amount	Fair value
<b>Group</b>				
Deposits and restricted bank balances	31		31	31
Other receivables	314		314	314
Cash and cash equivalents	5,195		5,195	5,195
<b>Total</b>	<b>5,540</b>	<b>–</b>	<b>5,540</b>	<b>5,540</b>
Borrowings		5,213	5,213	5,213
Lease liabilities		2,590	2,590	2,590
Accounts payable and other liabilities		280	280	280
<b>Total</b>		<b>8,083</b>	<b>8,083</b>	<b>8,083</b>

**31 Dec 2019**

Amounts in SEK 000	Financial assets recognised at amortised cost	Liabilities recognised at amortised cost	Total carrying amount	Fair value
<b>Group</b>				
Deposits and restricted bank balances	31		31	31
Other receivables	434		434	434
Cash and cash equivalents	12,964		12,964	12,964
<b>Total</b>	<b>13,429</b>	<b>–</b>	<b>13,429</b>	<b>13,429</b>
Borrowings		8,808	8,808	8,808
Lease liabilities		3,360	3,360	3,360
Accounts payable and other liabilities		2,834	2,834	2,834
<b>Total</b>		<b>15,002</b>	<b>15,002</b>	<b>15,002</b>

**Note 17 Other receivables**

Amounts in SEK 000	31 Dec 2020	31 Dec 2019
<b>Group and Parent Company</b>		
Recoverable VAT	137	375
Other items	177	59
<b>Total</b>	<b>314</b>	<b>434</b>

**Note 18 Prepaid expenses and accrued income**

Amounts in SEK 000	31 Dec 2020	31 Dec 2019
<b>Group and Parent Company</b>		
Prepaid rental expenses	203	237
Other items	23	105
<b>Total</b>	<b>226</b>	<b>342</b>

**Note 19 Cash and cash equivalents**

Amounts in SEK 000	31 Dec 2020	31 Dec 2019
<b>Group</b>		
Cash and bank balances	5,195	12,964
<b>Total</b>	<b>5,195</b>	<b>12,964</b>
<b>Parent Company</b>		
Cash and bank balances	5,152	12,921
<b>Total</b>	<b>5,152</b>	<b>12,921</b>

**Note 20 Share capital and other contributed capital**

The Articles of Association of Nordic Iron Ore AB (publ) stipulate a share capital of not less than SEK 34,000,000 and not more than SEK 136,000,000. The minimum number of shares is 19,000,000 and the maximum 76,000,000.

At 31 December 2020, the company's registered share capital was SEK 58,240,776.324340 distributed between 33,582,993 shares with a quotient value of SEK 1.734 per share.

**2019**

	Number of shares	Share capital, SEK	Other contributed capital, SEK
Opening balance, 1 January 2019	19,909,775	34,528,214	206,261,993
New share issue	10,059,695	17,445,868	4,884,395
<b>Closing balance, 31 December 2019</b>	<b>29,969,470</b>	<b>51,974,081</b>	<b>211,146,388</b>

**2020**

	Number of shares	Share capital, SEK	Other contributed capital, SEK
Opening balance, 1 January 2020	29,969,470	51,974,081	211,146,388
New share issue	3,613,523	6,266,695	8,672,272
<b>Closing balance, 31 December 2020</b>	<b>33,582,993</b>	<b>58,240,776</b>	<b>219,818,660</b>

**Note 21 Borrowings**

Amounts in SEK 000	31 Dec 2020	31 Dec 2019
<b>Group and Parent Company</b>		
Short-term loan	5,213	–
Convertible loan	–	7,808
<b>Total</b>	<b>–</b>	<b>7,808</b>

The convertible loan carried an interest rate of 5.5 per cent and holders of the convertible had the right to request conversion from 11 June 2019 until the maturity date 11 June 2020. The loan was converted on 22 June 2020 at a conversion price of SEK 9.02 per share.

**Note 22 Other liabilities**

Amounts in SEK 000	31 Dec 2020	31 Dec 2019
<b>Group and Parent Company</b>		
Withholding tax	65	78
Employer's contributions	54	67
<b>Total</b>	<b>120</b>	<b>145</b>

**Note 23 Accrued expenses and deferred income**

Amounts in SEK 000	31 Dec 2020	31 Dec 2019
<b>Group and Parent Company</b>		
Accrued salaries and fees	692	778
Accrued holiday pay	462	471
Accrued capitalised expenses	–	100
Accrued pension expenses	180	140
Other items	1,747	2,066
<b>Total</b>	<b>3,081</b>	<b>3,555</b>

**Note 24 Pledged assets and contingent liabilities**

Amounts in SEK 000	31 Dec 2020	31 Dec 2019
<b>Group and Parent Company</b>		
Contingent liabilities	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
<b>Total contingent liabilities and pledged assets</b>	<b>31</b>	<b>31</b>

**Note 25 Related-party transactions**

Related parties are defined as subsidiaries included in the Group, members of the company's Board of Directors and senior executives of the Group including close family members of such individuals. At the balance-sheet date, Nordic Iron Ore had no liabilities to related parties. Refer to Note 8 for remuneration to Board members.

**Note 26 Significant events after the end of the financial year**

The company raised short-term borrowings of around SEK 20.9 million to settle a short-term loan and to cover working capital requirements during the work with securing funding of the detailed studies and other preparations for the actual construction works. Around half of the borrowings are convertible while the remainder comprises a customary loan facility.



The undersigned hereby affirm that the annual accounts and the consolidated financial statements were prepared in compliance with International Financial Reporting Standards IFRS, as adopted within the European Union, and with generally accepted accounting principles, and that they provide a true and fair representation of the Group's and the Parent Company's financial position and earnings, and that the Administration Report 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 companies in the Group.

Ludvika, 21 April 2021

Tomas Olofsson  
Chairman of the Board

Jonas Bengtsson

Gösta Bergman

Timo Lindborg

Lennart Eliasson  
Managing Director

Our auditor's report was submitted on 22 April 2021.  
Öhrlings PricewaterhouseCoopers AB

Anders Hvittfeldt  
Auktoriserad revisor

## Auditor's Report

To the general meeting of the shareholders of Nordic Iron Ore AB (publ), corporate identity number 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 the year 2020. The annual accounts and consolidated accounts of the company are included on pages 30–48 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 2020 and its financial performance and cash flow for the year then ended 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 2020 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory Administration Report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the Parent Company and the statement of comprehensive income and balance sheet 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 Auditors' 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 consolidated accounts and is found on pages 1–29 and page 51. The Board of Directors and the 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.

#### Emphasis of Matter

We would like to draw attention to the Financial position, cash balance and future capital requirements section in the Administration Report, which states that the start of construction will require extensive financial resources com-

prising equity and borrowings. The current assessment is that the company's investments leading up until the start of production will amount to slightly more than SEK 2 billion.

Our opinion is not modified in respect of this matter.

#### 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, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. 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 misstatement, 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 has no realistic alternative but to do so.

#### Auditors' 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw

a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

## 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 2020 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 Administration 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 the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditors' 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.

### Auditors' responsibilities

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain 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 a 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.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement with a starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's circumstances. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board's proposed appropriation of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

Mora, 22 April 2021

Öhrlings PricewaterhouseCoopers AB

Anders Hvittfeldt  
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  $\text{Fe}_2\text{O}_3$ . 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  $\text{Fe}_3\text{O}_4$ . 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 drill hole 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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Nordic  
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