ANNUAL REPORT



A SWEDISH MINING DEVELOPMENT COMPANY IN THE SOUTHERN DALARNA REGION OF SWEDEN

We are using modern bedrever b

THE IMAGE SHOWS THE PATH THAT LEADS TO NORDIC IRON ORE'S MINE OPENING AT BLÖTBERGET.



Contents

Nordic Iron Ore in brief4	
Summary of 20215	
Asset portfolio6	
Statement from the Managing Director10	
Market and products12	
Operations	
Toward sustainable green mining operations24	
Share capital and ownership structure26	
Corporate governance report 202128	
Board of Directors and Management30	
Administration Report32	
Notes to the financial statements	
Glossary	



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, starting in Blötberget (where all the permits are ready), and 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 <u>production</u>.

Summary of 2021

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 2021

• The company secures short-term net financing of about SEK 15 million

Second quarter 2021

- Veidekke Sverige is engaged for the planning of the ramp between the mine and the industrial area
- Paterson & Cooke are engaged for a study concerning the processing of tailings
- Partnership entered into with Epiroc

Third quarter 2021

- Partnership signed with ABB.
- The Board resolved on an offset issue of two short-term loans of SEK 5 million.
- The short-term loan facility of SEK 10.5 million was extended until the end of the year.

Fourth quarter 2021

- The resolved offset issue increases the number of shares by 3,552,062.
- The short-term loan facility was extended until 30 June 2022.
- The Board began to look for a successor to the CEO.
- The Project Director steps down from his role.

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 Blötberget 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). In late February 2020, Nordic Iron Ore was granted a new exploration permit by the Mining Inspectorate of Sweden for Blötberget 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 PERMITS

NAME	MUNICIPALITY	MINERAL	VALIDITY PERIOD	SHARE	AREA (HA)
Ludvikafältet No. 1	Ludvika	apatite, iron	6 May 2019 – 6 May 2022	100%	913.65
Blötberget 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		INC	DICATED		NFERRED	CLASSIFICATION
	мт	% FE	мт	% FE	мт	% FE	ACCORDING TO
Blötberget	45.4	41.7	9.6	36.2	11.8	36.1	JORC 2012
Håksberg	_	_	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		OVEN PROBABLE		ΤΟΤΑ	
	мт	% FE	мт	% FE	мт	% FE
Blötberget	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

The mining industry has become high tech and is undergoing rapid development, particularly in terms of sustainability. Considerable efforts are ongoing concerning innovation for the green transition with the aim of reducing environmental and climate impact, streamlining production and improving the work environment in the mining industry. Moreover, much of this advanced development in the mining industry is taking place in Sweden, which is home to some of the world's most efficient mines and world-leading suppliers of mine equipment who are working in collaboration. As such, it is of significant value that we signed partnership agreements with two of these companies – ABB and Epiroc – during the year.

> Technical developments have now made it possible to plan an entirely electrified mine. At the same time, considerable focus rests on environmental considerations and the need to reduce climate-impacting emissions from the steel industry that account for a significant share of total emissions. Emissions costs will increase, thus leading to an increase in the value of ore that helps to reduce these emissions. This will result in the NIO product being in high demand and valued as the premium product that it is. Given the above, the timing of the implementation of our project is very good.

On the other hand, Russia's invasion of Ukraine – in addition to considerable human suffering – has created significant turbulence and uncertainty in the global market. At the same time, the situation has emphasised the need to secure raw material assets as well as, in particular, the value of operating in a relatively stable environment. Despite the uncertainty that this has led to, our ambitions remain - especially in our part of the world - to reduce emissions from steel manufacturing. As such, the steel industry places an increased focus on the transition from blast furnaces to electric arc furnaces. This leads to increased demand for scrap metal, which is typically a raw material for this type of steel manufacturing. Naturally, it is not possible to replace all steel manufacturing in blast furnaces with scrap metal. which is why demand for direct reduced iron (DRI) is likely to increase given its suitability for steel manufacturing in electric arc furnaces. However, this places stringent requirements on the iron content and purity of the ore required for the DRI process. NIO will belong to a relatively exclusive group of producers that can supply the desired ore quality.

For steel manufacturers to affirm a low environmental impact in their products, they must also take into consideration the transportation of ore from the mine to the steelworks. For the European steel industry, this creates an incentive to recover iron ore in the surrounding area.

For the continued development of the project, it is a crucial prerequisite that we receive the financial resources to develop the organisation and complete more detailed capital works planning. As such, the single most important development in the past year was discussions with Cargill, which after the end of the year resulted in a memorandum of understanding for future collaboration. Given that Cargill's evaluation of the project is satisfactory, and that the parties agree on future commercial terms for the partnership, Cargill will initially invest SEK 50 million in an issue of at least SEK 100 million to finance the planned activities for the next year.

In 2022, work will be directed in three areas: the recruitment of an expanded project management group, planning and updating calculations and securing project financing for the capital works. The update of calculations and procurement of material could be an extra challenge unless market concern abates in the coming months. The price of metals is fluctuating considerably due to all of the supply chain disruptions, which is making it more difficult to submit offers.

For 2023, the challenge will be the procurement of goods and services and the commencement of tangible capital works. In total, this concerns investments exceeding SEK 2 billion. It is therefore appropriate that the Board has found a successor for me who has extensive mining industry procurement experience. I conclude by wishing Ronne Hamerslag all the best with this exciting project.

Stockholm, May 2022

LENNART ELIASSON

Managing Director, Nordic Iron Ore AB

"The single most important development in the past year was discussions with Cargill, which after the end of the year resulted in a memorandum of understanding for future collaboration."



Market and products

The coronavirus pandemic dominated 2021 and iron ore prices fluctuated relatively violently during the year in line with varied demand for steel. The price of 62 per cent iron ore reached a peak in the spring of about USD 235 per tonne and 65 per cent iron ore rose to USD 255 per tonne.

The global iron ore market

2021 was dominated by relatively high volatility. In early 2022, China introduced production limitations for its steel industry with the aim of reducing emissions ahead of the Beijing 2022 Winter Olympics. However, these measures had a limited impact on the price trend and, all in all, the positive price trend from 2020 continued during the first quarter.

The second quarter, however, was dominated by volatility. Nevertheless, prices continued to remain at relatively high levels, and premium prices for higher grade ore continued to display particular strength. Part of the price hike was due to higher transportation costs as a result of the negative impact of adverse weather conditions on the transportation chain.

The third quarter of the year was dramatic to say the least for the iron ore market. Prices sunk significantly, presumably as a result of the removal of the limitations China imposed on steel production. The background concerning China's decision was the desire to prevent the country's raw steel production for 2021 exceeding the level for 2020. China also wanted to achieve environmental targets while attempting to drive down the price. The measures were so significant that they resulted in the fastest price downturn since 2008. Despite the price downturn, prices of higher grade ore remained more resilient while the price of lower grade ore was driven down.

Prices continued to fall during part of the fourth quarter, partly as a result of the new variant of the coronavirus – Omicron – leading to uncertainty. However, prices rose toward the end of the year, partly due to problems with logistics chains. In general, prices were impacted positively during the year since the coronavirus pandemic led to many countries stimulating their economies through measures such as starting infrastructure projects, which contributed to increased demand for ore. Prices also rose a result of new projects leading to increased demand for pig iron after the Paralympic Games. Toward the end of the year, prices rose to USD 130 per tonne for 62 per cent ore. In mid-February 2022, the price was approximately USD 145 per tonne.

Price trend for high-grade ore

As previously mentioned, the price trend for iron ore was volatile during the year. The most important factor for Nordic Iron Ore was that premiums for higher grade iron ore – the ore that Nordic Iron Ore will extract – began to recover at the end of the fourth quarter of 2021. The positive trend was mainly the result of China's continued efforts to improve air quality by using higher grade ore as a raw material in steel manufacturing rather than reducing steel production. This is part of the continued trend toward

One year price trend for fines with an iron content of 58%, 62% and 65% 300 250 200 150 USD/dry mt CFR China 100 50 jan 2021 apr 2021 jul 2021 oct 2021 jan 2022 Platts IO 65 % Fe CFR Ching Platts IODEX 62 % Fe CFR China Source: Fastmarket Platts IO 58 % Fe CFR China

The price trend was volatile during the year, but the premium for high-grade ore did not waver.

a fossil-free future in the steel industry, and the realisation of most steel manufacturers (and countries) that an easily accessible way to significantly reduce carbon emissions is to use higher grade iron ore/scrap metal. In Europe, costs are increasing for GHG emission allowances, which is driving the desire to reduce emissions. These trends will contribute to drive premiums even higher, and the difference between grades will continue to ensure that Nordic Iron Ore has one of the most in-demand high quality products to offer the market and be able to command premium prices.

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 average iron content of 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 65 per cent or higher iron content trade at a premium.

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.

"Nordic Iron Ore will primarily produce fine concentrate, a fine-grained ore concentrate with an average iron content of around 69 per cent, for delivery to steel industries in Europe, the Middle East and China."

Market and products, cont.

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 concentrate for pellet and DRI pellet production is most likely. In Asia, there demand is anticipated to stem from steel producers with pellet plants for fine-grained pellets.

ORE CONCENTRATE



addition, sinter normally has a lower iron content than pellets Typically, sinter is made from ore concentrate with an iron content of 58–62 per cent, which can be compared with pellets for which the

corresponding value is generally 62–65 per

PELLETS



Pellets are made through the agglomeration of fine concentrate and a binding agent, such as bentonite

Typically, pellets have a grain size of between 9 and 16 mm. The production requires processing in a pellets plant, which means higher manufacturing costs

Pellets are of a higher and more consistent quality and, accordingly, are sold at a premium to lump ore.

IRON SMELTING IN THE BLAST FURNACE

Source: Cuervo Resources, Raw Materials Group

LUMP ORE



Lump ore is relatively raw and, therefore, does not need to be sintered before use in the blast furnace process. Normally, lump ore has a grain size of 6-30mm. Lump ore with a high iron content and a low degree of impurities, in combination with good solidity at high temperatures is considered a premium product.

Lump ore can be used directly in blast furnaces and, accordingly, trades at a premium to ore concentrate.

cent.

"We have reaped great benefit from the knowledge that the project has given us"

Nordic Iron Ore is part of several research projects that aim to develop modern and environmentally friendly mining operations. Paul Marsden, Technical Sales & Marketing Director at Nordic Iron Ore, shares his views on the benefit of the project and the future.

NIO has taken part in several EU-sponsored projects during the past six years. The largest of which, and which is now complete, was "Smart Exploration" in which new technology was tested to identify additional geological structures and potential iron ore resources without physical intervention in the form of drilling. A seismic exploration method is used mainly to gain a picture of the layers and the structures in the rock.

"We have reaped great benefit from the knowledge that the project has given us. For example, it is now even clearer to see where more ore is located to extract and where we optimally can plan our drilling campaigns for continued exploration and extension of the coming mining operation."

Important steps to develop a green mining industry.

It was announced in February that NIO would be part of an additional EU project together with Uppsala University: The ERA-MIN 3 Project, FUTURE. One important goal is to advance development of sustainable and cost-efficient exploration methods for deeply located and other challenging geological environments. The plan is to commence field work in the areas of Blötberget and Väsman field in summer 2022.

"Our participation in the FUTURE project is a further step that we are taking to construct a profitable green mine. The project is technologically advanced and its continued explorations are likely to provide us with valuable information about how we can, in a sustainable and cost-efficient way, develop Blötberget, Väsman field and Håksberg.

The geophysical measurement

instruments that will be tested make use of modern technology, for example, fibre optical sensors and high sensitivity micro components. Drone operated measurement instruments will also be tested with a measurement method that has a negligible impact on the environment. These new methods can provide us with high-resolution images of layers under the soil, thus generating new exploration targets.



Paul Marsden

Examples of uses for steel





Operations Ludvika Mines

The mining development 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 ultramodern, eco-friendly mine powered by electricity as far as possible. An important milestone that was achieved at the start of 2022 was the memorandum of understanding that was signed with Cargill.

> 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. Based on the completed feasibility studies, 34 million tonnes of these assets in Blötberget have been able to be classified as mineable reserves. With these reserves, the financial lifespan for Blötberget is at least ten to 12 years.

Technical description, from mine to mill

All ore mining is planned to take place as underground mining. As a result, a minimal impact is expected on the surface. The selected mining method, a variant of backfill mining, enables a high ore extraction grade (of in-situ resources) while maintaining a low level of waste rock, leading to higher iron content in extracted ore to achieve optimal performance in the ore concentrating plant. All of the waste rock from the underground capital works is deposited in empty mining rooms after the ore mining is concluded in the specific area.

The deposit includes two main categories of ore minerals: magnetite and haematite. Even if both categories require specific processing, the mine will only transport mixed input materials to the concentration plant. This is possible thanks to a flexible facility design that allows for a varied haematite/magnetite relationship in the incoming ore with retained healthy exchange in the end product.

Two products will be produced: a magnetite and a haematite concentrate. The primary exploitation methods

are magnetic and gravimetric separation for magnetite and haematite concentrate. For the removal of phosphorous, reverse flotation is applied. This results in very low remaining phosphorous levels on a global comparison.

In total, annual ore mining of just over 3 million tonnes is planned resulting in annual concentrate production of about 1.6 million tonnes.

Completed studies of Blötberget

In 2019, Golder Associates concluded their definitive feasibility study (DFS). The study found that, inter alia, 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.

In 2020, Whittle Consulting, the Australian consultancy specialised in strategic planning for the mining industry, submitted 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. Profitability improved markedly and the net present value increased by more than 50 per cent to USD 172 million. 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.

Phase 2 – Väsman

The next stage in development of the Ludvika Mines project is the mining of deposits under Lake Väsman, one of the largest iron-ore deposits in Sweden.

In 2019, SRK Consulting undertook a technical and economical conceptual study concerning the southern section of Väsman field where the company obtained an exploitation concession. Despite the area only corresponding to less than half of the total of Väsman field, the study indicated a profitable mine with a seven-year lifespan. The development of Väsman field is following on from the completion of the Blötberg mine and will have great benefit of the infrastructure developed for it.

The Väsman deposit is preliminarily planned to be mined either with a method similar to that for Blötberget or with a variant of sublevel stoping. The potential application of backfill mining will be evaluated in conjunction with the final choice of mining method. Key issues involve entirely avoiding subsidence (due to the overlying lake), ore extraction to the ore concentrating plant in Skeppmora and essentially unknown potential in the north end of the Väsman field. The deposit requires comprehensive exploration efforts to determine mineable reserves, particularly for the northern section.

A summary of the optimisation study is available at nordicironore.se under "Technical reports." This also includes SRK's study for southern Väsman field.

An excellent starting point

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.



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.



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.

	9		99	00	9	0000	9	6	 B	 B	9	
	9000	6000	60	99	6	6000	99	6	6	6	998	6
		6000	60	 6	6000	 B	 6			6		6000
n	6	6000	60	998 9	6000	998 9	6	6	6	6	6000	6000
0	6	6000	60	6	6	6000	6	6	6	6	6	6
5 V	99	9	90	99	9	998 9	99	9	9	99	99	9
,	99	9000	60	99	9	998 9	99	9000	9	99	99	9
	9000		9	6	9000	B						



View over the coming industrial area toward Väsman and Håksberg.

Blötberget – resting on solid ground

Ludvika Mines consists of Blötberget, the Väsman field and Håksberg. Blötberget is the first deposit that Nordic Iron Ore will process and is home to ore for at least ten to 12 years of mining. By beginning at Blötberget, where the company already has all of the necessary permits in place, the company will receive revenue from sales which can be invested when Väsman and Håksberg are developed.

> In 2021, efforts continued to develop Blötberget into a modern, electrified and green mine. One important step in these efforts was the agreement signed with ABB. In brief, the agreement means that ABB will contribute with knowledge of how operations can best develop underground, which encompasses, for example, an electrification programme.

> Nordic Iron Ore also started a strategic partnership with Epiroc, who will assist with knowledge of modern mining operations with electrified vehicles. Together, the companies will design the most sustainable and productive solutions for the mining project. Efforts with a control programme to measure groundwater were also expanded during the year, read more on pages 24–25.

> 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.

Blötberget's resources

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)

VALID EXPLOITATION CONCESSIONS

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

MINERAL RESOURCES

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

Best possible technology – from day one

The work to set the foundations for a modern and CO₂ neutral underground mine is fully under way. Nordic Iron Ore has signed a partnership with ABB and Epiroc to develop future-proof, digitalised and electrified mining operations.

ABB maintains a very strong position in the mining industry and the company has delivered many systems to mines across the world. The partnership with ABB was signed in August 2021, but even prior to the partnership being signed, ABB carried out, inter alia, an automation and electrification study.



Markus Karlsson

"With the feasibility study as a guide, ABB helped us to review technical details and processes that could be improved and draw up detailed plans for certain parts of the project," explains Markus Karlsson, who was Project Manager of the feasibility study at Nordic Iron Ore.

With the continued collaboration, ABB will place more focus on developing efficient and environmentally friendly underground solutions. Transporting ore underground is highly energy demanding and ABB is evaluating, for example, how transport can be electrified rather than taking place with diesel engines.

A partnership agreement was signed with Epiroc, a world-leading machine supplier

for underground mines, in June 2021. Within the framework of this agreement, efforts will focus on ways to apply the latest energy technology in machines required for mining and transportation in Blötberget, an initiative that will be conducted together with ABB.

"This collaboration will provide us with full access to the latest technology. We will therefore be able to achieve optimal energy consumption in coming mining operations and future-proof selected solutions," explains Markus Karlsson.

Another important project in 2021 was completed with the help of Veidekke AB, a well-reputed entrepreneurial company in tunnelling and construction. The work involved drawing and evaluating different layouts for the approximately 2.5 km long main ramp from the mining areas up to the surface at the ore concentrating plant. The work also encompassed alternative solutions with related ramp layouts for the extraction of the ore as well as evaluating optimal tunnelling technology and the costs and time required for this important part of the mining project.

"The results of this work provided a clear picture of the sensitivity in the choice of various solutions and highlighted how important it is to think broadly and flexibly to find the most optimal solutions for the Blötberg mine," explains Markus Karlsson.

The existing power line of 50kV that crossed the planned industrial area has now been relocated to prevent it from obstructing the construction workers. The next step will involve the planning for a substation being connected to the line.

Blötberget's history

1900	Bergverks AB Vulcanus starts large-scale mining operations	1978	SSAB is founded and Stora Kopparberg Bergslags AB surrenders the Blötberg mine
1944	Stora Kopparberg Bergslags AB begins preparations for mining in nearby mining districts. The Bergslag shaft is sunk and a modern industrial area established	1979	Mining operations cease
1949	Stora Kopparberg Bergslags AB purchases the Vulcanus mine from the Swedish government	1980	Permits and mining rights revert to the state
1950-1966 1986-1975	The mining area is integrated and both the Vulcanus mine and the Bergslag shaft are used. Annual produc-	2007	Application for a new exploration permit is approved
	tion reaches around 400 kilotons of crude ore and 220 kilotons of ore concentrate products	2008	The permit is transferred to Nordic Iron Ore
	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		

The Väsman field – a field with great potential

People have known about the extensive 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 Blötberg 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.

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.

The Väsman field's resources

EXPLOITATION CONCESSIONS

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

MINERAL RESOURCES

	INDICATED		INFERR	ED	CLASSIFICATION
	мт	% FE	мт	% FE	ACCORDING TO
Väsman	7.0	38.5	85.9	38.4	JORC



Håksberg – a field with a very long history

Håksberg is Ludvika Mines' third field. 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-meter 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,	15 Dec 2011	
molybdenum	– 15 Dec 2036	136.3

MINERAL RESOURCES

	INDICA	DICATED		ED	CLASSIFICATION	
	мт	% FE	мт	% FE	ACCORDING TO	
Håksberg	25.4	36.4	11.6	36.0	JORC	



Nordic Iron Ore's path toward mining operations

Nordic Iron Ore's ongoing work can be simply divided into two steps – before and after securing complete project financing. Part of what will be undertaken prior to complete financing is described below.

> The capital expected to be raised in 2022 will finance preparations such as organisational build up and detailed planning of the implementation. The organisational build up includes recruitment of our own employees and supportive consultants as well as agreements with partners who will be involved in central areas of the capital works. Tenders will be invited in order to select suppliers and thereby obtain updated cost estimates.

> An important partial study concerns the design of the cargo terminal which can be simplified and therefore cheaper than what has been estimated in existing studies. This work is already underway. Another important stage is to conclude the studies concerning the processing of tailings and design

of the dam for the tailings dam given that the construction of it, according to the judgement for the environmental permit, will be approved by the County Administrative Board.

An additional activity to be prioritised is the inspection of the old tunnels for the diversion of surface water. This is minor work that will not leave any visible traces, but will nevertheless activate the environmental permit. This means that Nordic Iron Ore must immediately pay about SEK 15 million to the reserve for restoration work.

Otherwise, the first step of basic engineering in a number of areas involves preparations for practical capital works. One area where this work is already taking place is the new entrance ramp to the mine. The work will provide a framework for the final raising of capital for the capital works. Updated financial analyses will impact the distribution between various forms of borrowing and equity, but the work with financing is comprehensive and will be carried out in parallel with other preparations.



Nordic Iron Ore's plan to restart mining is divided into three phases

Phase 1

The first phase comprises the start of mining at Blötberget with a first production line at the ore concentrating plant. By beginning at Blötberget, where the company already has all of the necessary permits in place, the company will receive revenue from sales which can be used for the investments in the following two phases.

Phase 2

In this phase, the deposits at Väsman field are developed.

Phase 3

In this phase, the deposits at Håksberg are developed.



The path toward a fossil-free value chain – from mine to steel

Projects are ongoing around the world to reduce GHG emissions from steel manufacturing. This is in light of the steel industry accounting for a relatively large share of emissions while the price of emission allowances is increasing. The objective is to produce fossil-free steel and an important aspect for being successful with this is using high-grade ore, which Nordic Iron Ore will produce.

The use of high-grade ore, meaning ore with an iron content of 65 per cent or more, has clear advantages. Carbon emissions are lower and productivity is higher. In addition, there are signs that the price of emission allowances will rise, further driving demand for highgrade ore. Nordic Iron Ore will produce iron ore with an iron content of up to 71 per cent and an average around 69 per cent. Several interesting initiatives are ongoing around the world in the steel industry to reduce GHG emissions and produce fossil-free steel. One highlighted example is in Sweden. SSAB, LKAB and Vattenfall have launched HYBRIT (Hydrogen Breakthrough Ironmaking Technology), an initiative supported by the Swedish Energy Agency. The goal is to develop and manufacture fossil-free steel. The technology could reduce Sweden's total carbon emissions by as much as 10 per cent. Another interesting initiative is H2 Green Steel, which will construct a green steelworks.

A prerequisite for being able to talk about green steel is that all of the processing must be included: from mining to steel. For the final product to be considered fossil-free, the steel cannot have been manufactured from iron ore that has been extracted with diesel-powered machines, transported via railways run on fossil-based electrical power and shipped round half the world by vessels run with oil.

If this issue is pushed to its limit and includes rubber tyres for vehicles and hydraulic fluid, etc., nothing will be 100 per cent fossil free, but it's possible to get very close. Nordic Iron Ore will establish an electrified mine and electricity in Sweden that is primarily fossil free. The mine's geographical location also provides good conditions for the European steel industry to be able to talk in terms of fossil free when it further processes ore from Ludvika.

Toward sustainable green mining operations

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, the Blötberget mine, is expected to employ over 200 people. When the planned expansion of 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 electrical power instead of diesel and minimising emissions into waterways. Since mining occurs underground, no lasting open-cast 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 2021, the company worked with a series of programmes related to sustainability in anticipation of the coming mining operations. For example, the County Administrative Board approved the company's control programme for groundwater levels. This programme aims to monitor groundwater levels and the water quality of potable water wells. As part of this programme, and in accordance with requirements from the County Administrative Board, three new 200-metre-deep drill holes were drilled in the Blötberg community. The control programme contains a total of some 30 holes and wells. The level of groundwater is measured continually to monitor changes before, and later during, the mine's development.

For the preparations for the groundwork in the planned industrial area in Skeppmora for the ore concentrating plant, railway terminal, etc., the County Administrative Board has analysed any ancient remains that will be impacted by the construction. The evaluation concluded that one object was to be documented more thoroughly. When the documentation is complete, the area can be taken into use. These documentation efforts are carried out by the County Administrative Board, but the costs are borne by the company. When the documentation of the object is complete, there will be no impediment to commencing construction work as a result of ancient remains in the area.

The compensation plan for nature conservation values, which was approved in 2015, involves management plans and encumbrances. NIO is working with the details of these together with Stora Enso Skog och Mark and with Ludvika Municipality.

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 capital works.

"We have close communication with the County Administrative Board, the municipality and the residents."

Monica Schön is a geologist at Nordic Iron Ore and her work includes activities with the company's programme for monitoring water.

Nordic Iron Ore will construct a mine with as little environmental impact as possible, and to achieve this target, several projects are running in parallel. One project, which has been running since 2017, concerns the control programme for groundwater, and Monica Schön is in charge of these operations. The groundwater level has been measures regularly in some 30 locations connected to the mine. This is due to Nordic Iron Ore's possible impact on the groundwater level when it begins to empty the old mine of water.

"In the summer, we drilled three additional drill holes for groundwater monitoring in the Blötberg community. The drill holes are 200 metres deep and are therefore deeper than the deepest drill holes for geothermal heat wells in Blötberget. The aim is to follow the natural variation of the groundwater and later monitor the change that likely takes place when we begin to pump from the old mine," says Monica Schön.

She also takes water samples in Gonäsån in a couple of downstream locations from places where the mine will be constructed and in Glaningen lake. "The samples are analysed for a number of different chemical elements and compounds. The most interesting factor is taking account of the content of various metals and nitrogen and phosphorous compounds so that we can follow up on any changes that take place once the mine is operational."

Monica Schön send all of the data that she collects to the County Administrative Board that acts as the control function. Monica maintains ongoing dialogue with the County Administrative Board and also collaborates with Ludvika Municipality, which also reviews the data she has collected. For example, compounds found in Glaningen originated from a previous sorting station for ore from the now discontinued Saxberg mine.

"Our analyses showed unexplainably high metal contents in Glaningen. By entering into dialogue with the municipality, we were eventually able to identify the origin of the metal compounds." Today, environmental considerations concerning a mine are on an entirely different level compared with when the Saxberg mine was operational.

An additional project that is part of the company's environmental efforts is to sample and analyse drinking water in the privately owned wells in the surrounding areas of the mine. "During the year, we have taken water samples from almost 70 properties with their own wells. If we discover changes in the water quality when the mine commences operations, we can compare these with the unaffected water samples."



Monica Schön

Share capital and ownership structure

Nordic Iron Ore's share was listed on Nasdaq First North Stockholm on 1 October 2018. As of 31 December 2021, the company's market capitalisation was SEK 166.7 million. The last price paid for Nordic Iron Ore's share was SEK 4.49.

The First North Growth Market is an alternative marketplace 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 that 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: 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 distributed any dividend to its shareholders since it was founded and has therefore not adopted a dividend policy.



Owners as of January 2022

SHAREHOLDERS 31 DEC 2021

Shareholders	No. of shares	Share of votes and capital	
Bengtssons Tidnings AB	7,799,238	21.00 %	
Ludvika Holding AB	4,453,483	11.99 %	
Kopparinvest AB	2,600,132	7.00 %	
Whittle Equity Pty Ltd	1,952,369	5.26 %	
Skålpussen AB	1,106,000	2.98 %	
Björn Israelsson	780,063	2.10 %	
Fredrik Lundgren	746,018	2.01 %	
Jonas Bengtsson	524,105	1.41 %	
Johan Flink	450,500	1.21 %	
Fredrik Attefall	410,000	1.10 %	
Others	16,313,147	43.93 %	
Total	37,135,055	100 %	

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	1,000	100,000	100.00
2008	Split	11,000	-	12,000	100,000	8.33
2010	Non-cash issue ¹	18,400	153,333	30,400	253,333	8.33
2010	Warrants ²	14,000	116,667	44,400	370,000	8.33
2010	Bonus issue	-	400,000	44,400	770,000	17.34
2010	New share issue ³	6,940	120,356	51,340	890,356	17.34
2011	New share issue ⁴	26,500	459,572	77,840	1,349,928	17.34
2011	Split	7,706,160	-	7,784,000	1,349,928	0.17
2012	Offset issue⁵	3,708,738	643,182	11,492,738	1,993,110	0.17
2014	New share issue ⁶	1,606,000	278,518	13,098,738	2,271,628	0.17
2014	New share issue ⁷	745,099	129,218	13,843,837	2,506,786	0.17
2014	Offset issue ⁸	610,875	105,940	14,454,712	2,377,568	0.17
2014	Offset issue ⁹	56,000	9,712	14,510,712	2,516,497	0.17
2015	Offset issue ¹⁰	3,112,501	539,781	17,623,213	3,056,278	0.17
2015	New share issue ¹¹	14,837,741	2,573,212	32,460,954	5,629,490	0.17
2016	New share issue ¹²	4,084,596	708,365	36,545,550	6,337,854	0.17
2017	New share issue ¹³	73,091,100	12,675,709	109,636,650	19,013,563	0.17
2018	Offset issue ¹⁴	16,370,000	2,838,941	126,006,650	21,852,505	0.17
2018	New share issue ¹⁵	73,091,100	12,675,709	199,097,750	34,528,214	0.17
2018	Reverse share split	-179,187,975	-	19,909,775	34,528,214	1.73
2019	Warrants exercised ¹⁶	68,419	118,654	19,978,194	34,646,868	1.73
2019	Rights issue ¹⁷	9,991,276	17,327,213	29,969,470	51,974,081	1.73
2020	Private placement ¹⁷	400,000	693,694	30,369,470	52,667,775	1.73
2020	Conversion ¹⁸	885,834	1,536,244	31,255,304	54,204,018	1.73
2020	Private placement ¹⁹	2,327,689	4,036,758	33,582,993	58,240,776	1.73
2021	Offset issue ²⁰	3,552,062	6,160,108	37,135,055	64,400,884	1.73

Rounded to two decimal places.
The subscription price was SEK 450.00 per share and was paid with a non-cash consideration.
New share issue through the exercise of warrants. The subscription price was SEK 8.33 per share.
The subscription price was SEK 500 per share.
The subscription price was SEK 850 per share.

- The subscription price was SEK 850 per share.
 The subscription price was SEK 17 per share and was paid by offsetting receivables.
 The subscription price was SEK 25 per share.
 The subscription price was SEK 25 per share and was paid by offsetting receivables.
 The subscription price was SEK 25 per share and was paid by offsetting receivables.
 The subscription price was SEK 25 per share and was paid by offsetting receivables.
 The subscription price was SEK 1.00 per share and was paid by offsetting receivables.
 The subscription price was SEK 1.00 per share and was paid by offsetting receivables.
 The subscription price was SEK 1.00 per share.
 The subscription price was SEK 1.00 per share.
 The subscription price was SEK 0.25 per share.
 The subscription price was SEK 2.50 per share.
 The subscription price was SEK 2.50 per share.
 The subscription price was SEK 2.57 per share.
 The issue price was SEK 2.57 per share.
 The issue price w

Corporate governance report 2021

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 Wildeco 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 64,400,884 distributed among 37,135,055 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 2021 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 2021 AGM was held on 7 July 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 2021, 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.

According to 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 2021, the Board held 14 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 7 July 2021.

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

Managing Director

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

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 2021 AGM re-elected the company's auditor, Öhrlings PricewaterhouseCoopers AB, with Anna Rozhdestvenskaya as auditor-in-charge for the period until the 2022 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 2022 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 30 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.

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



JONAS BENGTSSON

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 30 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.

Holding 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 40 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 Kalvinit Oy.

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

Holding 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

Holding in the company: -

Nordic Iron Ore's senior executives



LENNART ELIASSON Managing Director since September 2018. CFO from 2011–2018

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 subsidiaries Ludvika Gruvor AB and LEAdvisory AB.

Holding in the company: 50,000 shares.



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.

Holding 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.

Holding 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 2021 to 31 December 2021.

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 company submitted a land allocation application to the Mining Inspectorate of Sweden and commissioned an independent valuation of the site concerned.

The design was updated of the approximately 2.5 kilometre-long access ramp that will connect the industrial area with the mine. Alternative designs were simulated in terms of time requirements and cost.

Studies were conducted by consultants regarding the future processing of tailings with the aim of identifying the best solution in terms of the environment that is also financially sustainable.

Discussions were held with the Swedish Transport Administration on the design of the future cargo terminal. The previously completed detailed design is more than three years old and therefore needs updating. In parallel, the company is evaluating the possibilities of simplifying the proposed solution, which has resulted in the evaluation of a significantly cheaper solution for the company.

A partnership was signed with ABB and Epiroc for assistance with the automation and electrification of the future mining operations.

The inspection programme for potable water wells was approved and the water quality of some 70 wells was checked.

Funding

The short-term loan from February to September was converted to 3,552,062 new shares. The remainder of the credit facility was extended and now extends until 30 September 2022.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

The company signed a memorandum of understanding with Cargill Inc to negotiate a long-term offtake agreement for the company's future production of iron-ore concentrate from its Blötberget project and set out terms for Cargill to invest SEK 50 million in the company as part of a wider capital raise of at least SEK 100 million.

The two companies started a due diligence process as well as commercial negotiations both for the offtake project and for the terms regarding the investment. The process is expected to be completed in the second quarter of 2022.

The company obtained an extension of a short-term loan facility of SEK 10.5 million until the end of September 2022.

The CEO's employment contract expired during the financial year but was extended until the year end. After the end of the year, the employment contract was replaced with an interim assignment on a consultancy basis. Thereafter, a permanent replacement has been engaged who will take over the role on 25 July 2022.

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 consultancy basis.

FINANCIAL POSITION, CASH BALANCE AND FUTURE CAPITAL REQUIREMENTS

On the balance-sheet date, the Group had liquidity of SEK 2.8 million as well as an unutilised loan commitment of slightly more than SEK 5 million. The equity/assets ratio was 93.83%. Consolidated equity was SEK 155.5 million, corresponding to SEK 4.19 per share.

After the end of the financial year, loan commitments were increased with a further SEK 5 million to a total of SEK 15.5 million. The short-term credits fall due for repayment on 30 September 2022. The existing working capital is thus insufficient for the planned activities over the coming 12-month period. For this reason, the Board is planning a major capital funding round in conjunction with strengthening the ownership base.

A memorandum of understanding was signed after the end of the year with Cargill to explore a long-term partnership. Given that Cargill's evaluation of the project is satisfactory, and that the parties agree on future commercial terms for the partnership, Cargill will initially invest SEK 50 million in an issue of at least SEK 100 million to finance the planned activities for the next year.

Implementing the long-term strategy and developing the company's project requires access to extensive financing. 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. Refer also to Note 3.

FUTURE PROGRESS

Strengthening our ownership base and securing financing for construction are our most important ongoing activities. The immediate plan is to raise capital of at least SEK 100 million to finance preparations for construction and to build the organisation. Concurrent to these activities, efforts to secure full project funding will be pursued. Funding in excess of SEK 2 billion is expected to encompass borrowing, leases and equity.

PROPOSED APPROPRIATION OF PROFITS

Funds at the disposal of the AGM:

	Amounts in SEK
Retained earnings	-175,438,786
Share premium reserve	224,295,168
Profit/loss for the year	-8,864,172
Total	39,992,210

The Board proposes that the profit, SEK 39,992,210, 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 INCOME

Amounts in SEK 000	Note	2021	2020
On our time income			
Other operating income		101	
Total income		121	1
Operating expenses			
Other external costs	6, 7, 8	-4,565	-4,296
Personnel expenses	8	-3,375	-3,184
Depreciation of property, plant and equipment	14, 15	-423	-827
Total operating expenses		-8,363	-8,306
Operating profit/loss		-8,242	-8,305
Financial income	9	5	_
Financial expenses	10	-601	-715
Net financial expense		-596	-715
Profit/loss after financial items		-8,838	-9,020
Тах	11	_	-
Profit/loss for the year		-8,838	-9,020
Attributable to:			
Parent Company shareholders		-8,838	-9,020
No. of shares			
No. of shares at year end		37, 135, 055	33,582,993
Average No. of shares (before dilution)		34,380,990	30,930,590
Average No. of shares (after dilution)		34,380,990	30,930,590
Earnings per share	12		
Earnings per share, weighted average before dilution, SEK		-0.26	-0.29
Earnings per share, weighted average after dilution, SEK		-0.26	-0.29

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK 000	Note	2021	2020
Profit/loss for the year		-8,838	-9,021
Other comprehensive income		-	-
Total comprehensive income for the year		-8,838	-9,021
Total comprehensive income for the year attributable			
to Parent Company shareholders		-8,838	-9,021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK 000	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets	•		
Intangible assets	•		
Capitalised expenditure pertaining to exploration and evaluation	13	160,440	156,723
Property, plant and equipment		······	
Machinery and equipment	14	-	-
Right-of-use assets	15	1,998	2,421
Financial assets			
Other non-current receivables	17	31	31
Total non-current assets		162,470	159, 175
Current assets			
Other receivables	18, 19	324	314
Prepaid expenses and accrued income	20	164	226
Cash and cash equivalents	18, 21	2,812	5,195
Total current assets		3,300	5,735
TOTAL ASSETS		165,770	164,910
EQUITY			
Equity attributable to Parent Company shareholders	-		
Share capital	22	64,401	58,241
Other contributed capital		224,295	219,818
Retained earnings including comprehensive income for the year		- 133, 154	-124,314
Total equity		155,542	153,745
LIABILITIES			
Non-current liabilities			
Lease liabilities	15	2,097	2,211 2,211
Current liabilities			
Borrowings	18	5,347	5,213
Lease liabilities	15	114	3/9
Accounts payable	10.00	2/0	160
Orner riddinines	Ιὄ, Ζ <u>΄</u> 10 Ολ	130	120
Total current liabilities	10, 24	8,131	8,953
Total liabilities		10,228	11,164
TOTAL EQUITY AND LIABILITIES		165.770	164.910

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable			
Amounts in SEK 000	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	Total equity
Opening equity, 1 Jan 2020	51,974	211, 147	-115,295	147,827
Profit/loss for the year			-9,021	-9,021
Other comprehensive income			-	-
Offset issue	6,267	8,702		14,969
Expenses for offset issue		-30		-30
CLOSING EQUITY, 31 Dec 2020	58,241	219,819	-124,316	153,745
Opening equity, 1 Jan 2021	58,241	219,819	-124,316	153,745
Profit/loss for the year			-8,838	-8,838
Other comprehensive income	-		-	-
Offset issue	6,160	4,496		10,656
Expenses for offset issue		-20		-20
Closing equity, 31 Dec 2021	64,401	224,295	-133,154	155,542

CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK 000	Note	2021	2020
Operating activities			
Profit/loss for the year		-8,838	-9,021
Adjustment for non-cash items			
Depreciation, amortisation and impairment		423	827
Other non-cash items		-449	-895
		-8,864	-9,088
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		51	236
Increase (+)/Decrease (-) in operating liabilities		-292	-2,665
Cash flow from operating activities		-9,105	-11,517
Investing activities			
Acquisition of intangible assets		-3,528	-1,251
Cash flow from investing activities		-3,528	-1,251
Financing activities			
New share issue, net of issue costs	•	_	-
Borrowings	24	10,250	5,000
Debt repayment	24	-	-
Cash flow from financing activities		10,250	5,000
Cash flow for the year		-2,383	-7,768
Opening cash and cash equivalents		5, 195	12,964
Closing cash and cash equivalents		2,812	5,195

PARENT COMPANY INCOME STATEMENT

Amounts in SEK 000	Note	2021	2020
Operating income			
Other operating income	•	121	-
Total income		121	0
Operating expenses			
Other external costs	6, 7, 8	-5,067	-5,219
Personnel expenses	8	-3,375	-3,184
Depreciation, amortisation and impairment	13, 14	-	-
Total operating expenses		-8,442	-8,403
Operating profit/loss		-8,321	-8,403
Profit/loss from financial items			
Interest income	9	5	-
Interest expenses	10	-548	-686
Total profit/loss from financial items		-543	-686
Profit/loss after financial items		-8,864	-9,088
Ταχ	11	0	0
Profit/loss for the year		-8,864	-9,088

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK 000	Note	2021	2020
Profit/loss for the year		-8,864	-9,088
Other comprehensive income		-	-
Total other comprehensive income		-8,864	-9,088

PARENT COMPANY BALANCE SHEET

Amounts in SEK 000	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Intangible assets			
Capitalised expenditure pertaining to exploration and evaluation	13	160,089	156,438
		160,089	156,438
Property, plant and equipment			
Machinery and equipment	14	-	-
F 1 .		0	-
rinancial assers	16	50	50
Other pon-current receivables	10	30	31
		81	81
Total non-current assets		160,170	156,519
Current assets			
Other receivables	10	324	314
Prenaid expenses and accrued income	20	164	226
Cash and bank balances	21	2.769	5.152
Total current assets		3,257	5,692
TOTAL ASSETS		163,427	162,211
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	22	64,401	58,241
Reserve for development expenditures		51,016	47,487
		115,417	105,728
Non-restricted equity			
Share premium reserve		224,296	219,819
Retained earnings		- 1/5,439	- 162,822
Protit/loss for the year		-8,864	-9,088
		37,993	47,908
Total equity		155,410	153,636
Current liabilities			
Borrowings		5,347	5,213
Accounts payable		270	160
Other current liabilities	23	135	120
Accrued expenses and deferred income	24	2,265	3,082
Total current liabilities		8,017	8,575
Total liabilities		8,017	8,575
TOTAL EQUITY AND LIABILITIES		163,427	162,211

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Restri	cted equity	Non	-restricted equity		
Amounts in SEK 000	Share capital	Reserve for develop- ment expenditures	Share premi- um reserve	Retained earnings	Profit/loss for the year	Total equity
Opening equity, 1 Jan 2020	51,974	40,154	211,147	-144,286	-11,203	147,786
Appropriation of profits				-11,203	11,203	-
Offset issue	6,267		8,702			14,969
Expenses for offset issue			-30			-30
Capitalisation of development expenditures		7,334		-7,334		-
Comprehensive income for the year				-	-9,088	-9,088
Closing equity, 31 Dec 2020	58,241	47,488	219,820	-162,823	-9,088	153,637
Opening equity, 1 Jan 2021	58,241	47,488	219,820	-162,823	-9,088	153,637
Appropriation of profits				-9,088	9,088	-
Offset issue	6,160		4,496		······································	10,656
Expenses for offset issue			-20			-20
Capitalisation of development						
expenditures		3,528		-3,528		-
Comprehensive income for the year					-8,864	-8,864
Closing equity, 31 Dec 2021	64,401	51,016	224,296	-175,439	-8,864	155,410

PARENT COMPANY CASH FLOW STATEMENT

Amounts in SEK 000	Note	2021	2020
Operating activities			
Profit/loss for the year		-8,864	-9,088
Adjustment for non-cash items			
Depreciation, amortisation and impairment		_	-
		-8,864	-9,088
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		51	236
Increase (+)/Decrease (-) in operating liabilities		-292	-2,665
Cash flow from operating activities	•	-9,105	-11,517
Investing activities	•		
Acquisition of intangible assets		-3,528	-1,251
Cash flow from investing activities		-3,528	-1,251
Financing activities	•		
New share issue, net of issue costs		-	-
Borrowings		10,250	5,000
Debt repayment		-	-
Cash flow from financing activities		10,250	5,000
Cash flow for the year		-2,383	-7,768
Opening cash and cash equivalents		5, 152	12,921
Closing cash and cash equivalents		2,769	5,152

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 Gruvor AB.

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.

Changes in accounting standards

New and amended accounting standards for 2021:

A number of new, amended or improved accounting standards and interpretations have been published without having any material impact. These pertain to IFRS 17 Insurance Contracts, amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, the Interest Rate Benchmark Reform and its effects on financial reporting in Phase 2: the replacement of Libor with alternative riskfree interest rates, Amendment of IFRS 16 Extension of practical expedient pertaining to Covid-19-related rent concessions.

New and amended accounting standards for 2022 and thereafter: The new, amended or improved accounting standards and interpretations that have been published and that apply after 2022 are not expected to have any material impact on future reporting periods.

A number of minor amendments have been published for IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment and IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as annual improvements to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments and IFRS 16 Leases and these enter force from or after January 2022.

The narrow-scope amendments to IAS 1 Presentation of Financial Statements pertain to the classification of liabilities as current or non-current has been deferred until 1 January 2024.

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 Vendevagen 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 2 June 2022.

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.

LEASES

The Group 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.

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 of 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.

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 balanc-

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.

es 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. As of 31 December 2021, the Group had a cash balance of TSEK 2,812 (5,195). The Group's credit facilities of SEK 5.2 million will expire on 30 September 2022 and, therefore, the company needs to strengthen its payment status prior to this date.

Maturity analysis

As of 31 December 2021	Within 1 year	Between 1 and 5 years	More than 5 years
Interest on long- term borrowings	-97	-	-
Amortisation on long-term borrowings	-5,250	-	-
Accounts payable	-270	-	-
Lease liabilities	-223	-937	-1,829

Capital risk

To secure the financial resources required to maintain momentum in the project, the company completed a share issue with pre-emptive rights for existing shareholders in December 2020.

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.

As of 31 December 2021, the value of intangible assets, capitalised exploration and evaluation expenditure, amounted to TSEK 160,089 (156,438). 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 2021, 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	2021	2020
Group and Parent Company		
PWC		
Audit engagement	276	395
Audit-related services	10	44
Total	286	438

Note 7 Leases

Amounts in SEK 000	31 Dec 2021	31 Dec 2020
Group and Parent Company		
All expensed lease payments for the year amount to		
Lease payments regarding rental expenses for premises and land leases	913	917
Future lease payments fall due for payment as follows:		
Within 1 year	664	909
Between 2 and 5 years	840	840
Later than 5 years	1,470	1,680

Note 8 Remuneration of employees, etc.

Average number of employees

	2021	2020	
Group and Parent Company			
Average number of employees	3	3	
Group total	3	3	

Board members – number on balance-sheet date

	2021	2020
Group and Parent Company		
Board members		
Number of Board members	4	4
of whom women	-	-
Total	4	4

Salaries, other remuneration and social security contributions

	2021	2020
Group and Parent Company		
Board, Managing Director and company management	3,166	3,089
Other employees	737	713
Total	3,903	3,803
Social security contributions	1,037	799
Pension expenses for the Board		
and Managing Director	321	324
Pension expenses	65	36
Total	1,423	1,158

TSEK 692 (442) of personnel expenses were capitalised.

Senior executives – number on balance-sheet date

	2021	2020
Group and Parent Company		
Managing Director and		
other senior executives		
Men	4	4
Women	-	-
Total	4	4

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 2021 amounted to TSEK 1,271 (1,224).

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 ceased on 31 December 2021 after reaching retirement age. Thereafter, he has discharged his duties as interim CEO on a consultancy basis.

2021

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		1,470		321	1,791
Jonas Bengtsson, Board member	75				75
Gösta Bergman, Board member	75				75
Timo Lindborg, Board member	75				75
Other senior executives, 3 individuals	1,271				1,271
Total	1,696	1,470	-	321	3,487

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
Johnas Jansson, Board member	75				75
Michael Mattsson, Board member	75				75
Other senior executives, 3 individuals	1,224				1,224
Total	1,649	1,440	_	324	3,413

Note 9 Financial income

	2021	2020
Group and Parent Company		
Foreign currency translation	5	-
Total financial income	5	-

Note 10 Financial expenses

	2021	2020
Group		
Interest expenses, external	-593	-404
Funding expenses	_	-250
Foreign currency translation	-8	-32
Total financial expenses	-601	-686
Parent Company		
Interest expenses, external	-540	-
Foreign currency translation	-8	-
Total financial expenses	-548	-

Note 11 Income tax/tax on profit for the year

Amounts in SEK 000	%	2021	%	2020
Group				
Pre-tax loss		-8,838		-9,021
Tax based on the applicable tax				
rate for the Parent Company	20.6%	1,821	21.4%	1,930
Tax effect of			_	
Non-deductible expenses		-2	-	-2
Non-taxable income		-	-	-
Issue costs		4		6
Tax effect of net loss/gain from operations		-		
not recognised as deferred tax assets		-1,823		-1,935
Recognised current tax expense	0.0%	-	0.0%	-
Amounts in SEK 000	%	2021	%	2020
Parent Company				
Pre-tax loss		-9,088		-9,088
Tax based on the applicable tax				
rate for the Parent Company	20.6%	1,872	21.4%	1,945
Tax effect of				
Non-deductible expenses		-2		-2
Non-taxable income		-		-
Issue costs		4		6
Tax effect of net loss from operations not				
recognised as deferred tax assets		-1,874		-1,949
Recognised current tax	0.0%	-	0.0%	-

Tax loss carry-forwards

	2020	2019
Parent Company		
Tax loss carry-forwards	156,221	147,347
Group		
Tax loss carry-forwards	156,228	147,354

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 20.6 % (21.4). No deferred tax had been recognised as of 31 Dec 2021 or as of 31 Dec 2020.

Note 12 Earnings per share

Amounts in SEK 000	2021	2020
Basic earnings per share		
Earnings attributable to Parent Company shareholders	-8,838	-9,088
Average number of shares	34,380,990	30,930,590
Number of shares when calculating basic earnings per share	34,380,990	30,930,590
Diluted earnings per share		
Earnings attributable to Parent Company shareholders	-8,838	-9,088
Average number of shares	34,380,990	30,930,590
Number of shares when calculating diluted earnings per share	34,380,990	30,930,590

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 34,380,990 (30,930,590).

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 13 Intangible assets

Amounts in SEK 000	31 Dec 2021	31 Dec 2020
Group		
Accumulated cost		
At the start of the year	156,723	149,365
Acquisitions during the year	3,717	7,358
Closing carrying amount	160,440	156,723
Amounts in SEK 000	31 Dec 2021	31 Dec 2020
Parent Company		
Accumulated cost		
At the start of the year	156,438	149,205
Acquisitions during the year	3,651	7,234
Closing carrying amount	160,089	156,438

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 14 Property, plant and equipment

Amounts in SEK 000	31 Dec 2021	31 Dec 2020
Group and Parent Company		
Accumulated cost		
At the start of the year	696	696
Closing accumulated cost	696	696
Accumulated depreciation and impairment		
At the start of the year	-696	-696
Closing accumulated depreciation		
and impairment	-696	-696
Carrying amounts	-	-

Depreciation

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

Note 15 Right-of-use assets

Amounts in SEK 000	31 Dec 2021	31 Dec 2020	
Group			
Opening accumulated cost	4,075	4,075	
Additional leases	-	_	
Closing accumulated cost	4,075	4,075	
Opening depreciation			
At the start of the year	-1,654	-827	
Depreciation and impairment			
for the year	-423	-827	
Closing accumulated			
depreciation and impairment	-2,077	-1,654	
Closing carrying amounts	1,998	2,421	

Amounts in SEK 000	31 Dec 2021	31 Dec 2020
Group		
Opening lease liabilities	2,590	3,360
Additional leases	-	-
Repayments made	-379	-770
Closing accumulated cost	2,211	2,590
Future lease payments fall due for payment as follows:		
Within 1 year (undiscounted)	223	501
Between 2 and 5 years (undiscounted)	937	919
Later than 5 years (undiscounted)	1,829	2,070

Leases comprise rented premises and land leases. 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-ofuse asset is adjusted.

Note 16 Participations in Group companies

31 Dec 2021	31 Dec 2020	
50	50	
50	50	
	31 Dec 2021 50 50	

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 17 Other non-current receivables

Amounts in SEK 000	31 Dec 2021	31 Dec 2020
Group		
Deposit under the Minerals Act issued		
to the Mining Inspectorate of Sweden	31	31
Total	31	31
Parent Company		
Deposit under the Minerals Act issued		
to the Mining Inspectorate of Sweden	31	31
Total	31	31

Note 18 Financial instruments by category

31 Dec 2021

	Financial assets recognised	Liabilities recognised	Total carrying	
Amounts in SEK 000	at amortised cost	at amortised cost	amount	Fair value
Group		_		
Deposits and restricted bank balances	31		31	31
Other receivables	324		324	324
Cash and cash equivalents	2,812	•••••••••••••••••••••••••••••••••••••••	2,812	2,812
Total	3,167	-	3,167	3,167
Borrowings		5,347	5,347	5,347
Lease liabilities		2,211	2,211	2,211
Accounts payable and other liabilities	-	270	270	270
Total		7,828	7,828	7,828

31 Dec 2020

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

Note 19 Other receivables

Amounts in SEK 000	31 Dec 2021	31 Dec 2020
Group and Parent Company		
Recoverable VAT	143	137
Other items	180	177
Total	324	314

Note 20 Prepaid expenses and accrued income

Amounts in SEK 000	31 Dec 2021	31 Dec 2020
Group and Parent Company		
Prepaid rental expenses	37	203
Other items	127	23
Total	164	226

Note 21 Cash and cash equivalents

Amounts in SEK 000	31 Dec 2021	31 Dec 2020
Group		
Cash and bank balances	2,812	5,195
Total	2,812	5,195
Parent Company		
Cash and bank balances	2,769	5,152
Total	2,769	5,152

Note 22 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. As of 31 December 2021, the company's registered share capital was SEK 64,400,883 distributed between 37,135,055 shares with a quotient value of SEK 1.734 per share.

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
Closing balance, 31 December 2020	33,582,993	58,240,776	219,818,660

2021

	Number of shares	Share capital, SEK	Other contributed capital, SEK
Opening balance, 1 January 2021	33,582,993	58,240,776	219,818,660
New share issue	3,552,062	6, 160, 108	4,476,509
Closing balance, 31 December 2021	37, 135, 055	64,400,884	224,295,169

Note 23 Other liabilities

Amounts in SEK 000	31 Dec 2021	31 Dec 2020
Group and Parent Company		
Withholding tax	75	65
Employer's contributions	60	54
Total	135	120

Note 24 Accrued expenses and deferred income

Amounts in SEK 000	31 Dec 2021	31 Dec 2020
Group and Parent Company		
Accrued salaries and fees	692	692
Accrued holiday pay	520	462
Accrued capitalised expenses	120	-
Accrued pension expenses	182	180
Other items	751	1,747
Total	2,265	3,081

Note 25 Pledged assets and contingent liabilities

Amounts in SEK 000	31 Dec 2021	31 Dec 2020
Group and Parent Company		
Contingent liabilities	None	None
Pledged assets		
Restricted bank balances, SHB, pledged		
to the benefit of the County Administrative		
Board of the County of Värmland		
regarding a commitment to restore land	31	31
Total contingent liabilities		
and pledged assets	31	31

Note 26 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 27 Significant events after the end of the financial year

In light of the ongoing discussions with Cargill, the company has decided to defer the Annual General Meeting at the end of June.

The company has recruited a new Managing Director who will take over the role on 25 July 2022.

The company received a short-term loan of SEK 5 million that expands the existing credit facility and which falls due for repayment on 30 September 2022.

Note 28 Proposed appropriation of the company's profits

Amounts in SEK 000	Parent Company
Retained earnings	- 175, 439
Share premium reserve	224,295
Profit/loss for the year	-8,864
To be carried forward	39,992

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, 31 May 2022

Tomas Olofsson Chairman of the Board Jonas Bengtsson

Gösta Bergman

Timo Lindborg

Lennart Eliasson Managing Director

Our auditor's report was submitted on 1 June 2022. Öhrlings PricewaterhouseCoopers AB

Anna Rozhdestvenskaya

Jonas Åkerlund

Authorised Public Accountant Auditor-in-charge Authorised Public Accountant Co-signing auditor

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 2021. The annual accounts and consolidated accounts of the company are included on pages 32-49 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 2021 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 2021 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 income statement and balance sheet for the Parent Company and the Group be adopted by the general meeting of shareholders.

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.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we would like to draw attention to the Board of Directors' report, which shows that existing working capital is not sufficient for the planned activities during the next twelve-month period.

Implementing the long-term strategy and developing the company's project requires access to extensive financing. After the end of the year, the company signed a memorandum of understanding for a future partnership with Cargill Inc to negotiate a long-term offtake agreement for the company's future production of iron-ore concentrate from its Blötberget project and set out terms for Cargill to invest SEK 50 million in the company as part of a wider capital raise of at least SEK 100 million. The two companies started a due diligence process as well as commercial negotiations both for the offtake project and for the terms regarding the investment. The process is expected to be completed in the second quarter of 2022. Given that Cargill's evaluation of the project is satisfactory, and that the parties agree on future commercial terms for the partnership, Cargill will initially invest SEK 50 million in an issue of at least SEK 100 million to finance the planned activities for the next year.

Since the future commercial terms of the partnership have yet to be determined, future financing remains uncertain. These circumstances indicate a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.

Other information than the annual accounts and the consolidated accounts

This document also contains other information than the annual accounts and the consolidated accounts, and can be found on pages 1–31 and page 52. 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.

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.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Nordic Iron Ore AB (publ) for the year 2021 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.

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

Stockholm 1 June 2022

Öhrlings PricewaterhouseCoopers AB

Anna Rozhdestvenskaya Authorised Public Accountant Auditor-in-charge

Jonas Åkerlund Authorised Public Accountant Co-signing auditor

Glossary

Apatite

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

Exploitation concession

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

Brownfield

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

Mining

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

Cut-off

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

Diabase

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

Feasibility study

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

Flotation

A concentration process whereby mineral grains in a liquid are lifted to the surface and skimmed off.

Geophysical measurements Measurements with instruments that identify the physical properties of the rock types (ores and tectonic structures).

Haematite

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

JORC (Australasian Joint Ore Reserves Committee)

Internationally accepted standard setting minimum standards for public reporting of exploration results and mineral resources. The standard is prepared by the Australasian Joint Ore Reserves Committee, which gave its name to the standard.

Core drilling

Rotary drilling used to extract a core from the bedrock.

Magnetite

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

Ore

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

Blast furnace

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

Metavolcanite

Volcanic rock types that have undergone metamorphosis.

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.





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. We have 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 us extremely well in a market where demand for highgrade iron ore with high iron content is increasing.

Nordic Iron Ore AB (publ) Vendevägen 85 A SE-182 91 Danderyd, Sweden www.nordicironore.se

