

Q1



Interim Report January – March 2019

Significant events during the first quarter 2019

- Work on the definitive feasibility study for Blötberget continued
- The mineral resource statement was approved for inclusion in the DFS report

First quarter, 1 January – 31 March 2019

- Income amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK -2.5 million (-2.4)
- Investments during the period January – March totalled SEK 5.4 million (1.1)
- Basic earnings per share were SEK -0.12 (-0.02)
- Cash as per 31 March 2019 amounted to 3.8 million (2.7)

Significant events after the end of the period

- The company received a short-term credit facility of SEK 10 million
- SRK Consulting was retained to perform a scoping study of the Väsman field
- The application for exploration permit for Ludvikafältet no 1 was granted by the Mining Inspectorate

Key ratios (Group)

Amounts in SEK	2019	2018	2018
	Jan - Mar	Jan - Mar	Jan - Dec
The Group			
Equity ratio (%)	88.83%	82.08%	92.8%
Earnings per share	-0.12	-0.02	-0.67
Equity per share	6.74	0.95	6.86
Quick ratio (%)	79.79%	14.07%	311.28%
No. of shares	19 909 775	10 963 665	19 909 775
Weighted average no. Of shares before dilution	19 909 775	10 963 665	15 238 299

Nordic Iron Ore AB is a mining development company that aims to resume and develop iron ore production at Ludvika Mines in Blötberget and Håksberg. The Company has all the essential permits in place, which will enable it to produce iron ore of extremely high quality from significant mineral resources.

Comments from the Managing Director

We are approaching the conclusion of the feasibility study for Blötberget which will be finished towards the end of June. In a few weeks' time we will begin to see the outcome of the study

Steady progress internally but some dramatic events on the market

During the first quarter the market offered some dramatic developments. The tragic accident in Brazil which forced Vale, one of the leading suppliers of high-grade iron ore, to close down a number of mines, which led to a significant increase in prices. Gradually the prices have stabilised but the price for standard quality ore of 62%Fe is still somewhat above USD 90 per tonne and the index for 65% Fe is around USD 113 per tonne. This should comfortably give a price of around USD 120 per tonne for the quality NIO is aiming at producing. The market outlook thus seems very favourable for our project.

The feasibility study for the mine in Blötberget has reached a stage where the underlying work has been completed and the various parts of the report are being written. After completing the basic design work requests for tender has been sent to potential suppliers and contractors. This way we will get important input to the calculations of future operating costs and investment needs.

In January we applied for an exploration permit for an area linking our concession areas in Blötberget, Väsman and Håksberg. The application was approved by the Mining Inspectorate in the beginning of May, and we can now plan for continued investigations, primarily aiming at an application for mining concession for the northern part of Väsman, in order to later being able to connect the Väsman field with the Håksberg mine to one integrated mining area.

In February, we had a well-attended information meeting for those living close to the Blötberget mine. Representatives from the Ludvika municipality were also present as the municipality and NIO has a close cooperation regarding questions in connection with the resumption of mining. Among other things there must be plans for actions necessary should the lowering of ground water levels in the vicinity of the mine result in a fresh water well running dry.

In April we retained the internationally renowned consulting firm SRK to study the Väsman field. The dual purpose is to get an updated mineral resource statement and to get a basis for planning of the continued exploration and development of the Väsman field. As we have analysed a number of old drill cores since the last calculation, we now have a better knowledge about the mineralisation. The study will be completed at the same time as Golder will conclude the feasibility study for Blötberget which will give us a better total picture for the development of the Ludvika Mines projects.

During May we have had help with the exploration around Blötberget when researchers from the EU-sponsored project Smart Exploration, in which NIO is an industrial partner, conducted seismic investigations in the area. During June investigations will be continued but this time from the air, using helicopters carrying measurement instruments, that will fly over our mineralisation. The aim of the project is to develop cost effective and environmentally friendly methods for exploration. Instruments are tested by comparing measurement results with the information we have from traditional drill cores. For NIO this means that we will get better information for decisions about where further drilling should be made. There may be significant savings from being able to “see down into the ground” ahead of when drilling campaigns are planned.

In a few weeks' time we will begin to see the outcome of the feasibility study for Blötberget – An outcome that potential investors will be interested in looking at before making a decision to invest. Let's hope it will be easy to make a positive decision!

Lennart Eliasson

Managing Director, Nordic Iron Ore AB (publ)

Operations

Significant events during the period

Feasibility study

During this period work on the feasibility study continued intensely under the direction of Golder. The work was largely focused on completing plans within different disciplines – mine layout and production plan, beneficiation process, materials handling both under and above ground. Requests for budget quotes were prepared as well as choice of suppliers. Tenders were received for logistics solutions (rail transport, offloading and storage in port and loading onto ships).

A technical report on the mineral resource statement was submitted and the first draft of the Geology Chapter for the DFS report was submitted to NIO.

Discussions continued with the local electricity company regarding moving the 50kV line and regarding future provision of capacity from the line.

Market

The price of iron ore products rose significantly after Vale, a leading producer of high-grade iron ore, was forced to close down a number of mines after a serious accident in Brazil.

Share and ownership structure

At the end of the period the share capital amounted to SEK 34 528 214 divided between 19 909 775 with a quota value of SEK 1.734 per share. The number of shareholders totalled 8 678.

Financial position

On the balance sheet date, the Group had a liquidity of SEK 3.8 million. The equity/assets ratio was 88.83%. The Group's equity amounted to SEK 134.2 million, corresponding to SEK 6.74 per share.

Investments

During the period January – March investments totalled MSEK 5.4. The entire amount relates to prospecting resources and investigation work for the planned resumption of mining operations in Blötberget.

Employees

On average, four people were employed by the Company during the period and three were engaged on a consultancy basis.

Financial calendar

Interim report January – June 2019: 22 August 2019

Interim report January – September 2019: 22 November 2019

Year-end report 2019: February 2020

Risks and uncertainties

In addition to risks associated with future global market prices for iron ore products that affect the profitability of the project, as well as the technical risks, the possibilities of starting up operations depend on the requisite permits from authorities being obtained and the extensive capital requirements being met. There have been no significant changes to alter this description.

Significant events after the end of the period

The company received a short-term credit facility of SEK 10 million from the two largest shareholders.

SRK Consulting was retained to perform a scoping study of the Väsman field. The engagement comprises an update of the mineral resources statement and suggestions for the future development of the area.

The application for exploration permit for Ludvikafältet no 1 was granted by the Mining Inspectorate.

Annual report and financial reports

The Company's press releases and financial reports are distributed via Cisionwire and are available at www.nordicironore.se.

Operations

Stockholm, May 22

The Board of Nordic Iron Ore AB (publ), corporate identity no. 556756-0940

Thomas Olofsson
Chairman of the board

Jonas Bengtsson

Gösta Bergman

Michael Mattsson

Lennart Eliasson
Managing director

This report has not been reviewed by the auditors.

Technical source material has been reviewed by the Company's qualified persons, Hans Thorshag and Paul Marsden. Hans Thorshag is a qualified person under FRB standards and Paul Marsden as defined in the internationally recognized JORC Code, based on his training and experience in exploration, project development and mineral process engineering.

For further information, please contact:

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Consolidated statement of comprehensive income - summary

Amounts in SEK	Note	2019	2018	2018
		Jan - Mar	Jan - Mar	Jan - Dec
Net revenue		0	0	0
Other operating income		0	0	0
Total operating income		0	0	0
Other external costs		-1 141 214	-1 529 416	-6 981 753
Personnel expenses		-950 028	-583 253	-2 203 855
Depreciation/amortization and impairment of property, plant and equipment and intangible assets		-206 758	-10 351	-12 794
Operation profit/loss		-2 298 000	-2 123 020	-9 198 402
Financial income		0	0	0
Financial expenses		-152 863	-294 530	-965 543
Net financial income/expense		-152 863	-294 530	-965 543
Profit/loss after financial income and expense		-2 450 863	-2 417 550	-10 163 945
PROFIT/LOSS FOR THE PERIOD		-2 450 863	-2 417 550	-10 163 945
OTHER COMPREHENSIVE INCOME		-	-	-
Total comprehensive income for the period		-2 450 863	-2 417 550	-10 163 945
Attributable to:				
Parent company shareholders		-2 450 863	-2 417 550	-10 163 945
TOTAL		-2 450 863	-2 417 550	-10 163 945
Number of shares				
Number of shares at year-end		19 909 775	10 963 665	19 909 775
Average no. of shares (before dilution)		19 909 775	10 963 665	15 238 299
Average no. of shares (after dilution)		19 909 775	10 963 665	15 238 299
Earnings per share				
Earnings per share, weighted average before dilution, SEK		-0.12	-0.02	-0.67
Earnings per share, weighted average after dilution, SEK		-0.12	-0.02	-0.67

Consolidated statement of financial position

- summary

Amounts in SEK	Note	31/03/2019	31/03/2018	31/12/2018
Assets				
Non-current assets				
Intangible assets		142 529 043	123 277 930	137 098 564
Property, plant and equipment		3 868 418	2 288	-
Financial assets		30 977	31 204	31 048
Current assets				
Other current assets		839 102	452 640	1 055 351
Cash and cash equivalents		3 806 651	2 736 975	9 152 854
Total assets		151 074 191	126 501 037	147 337 817
Equity and liabilities				
Equity		134 200 645	103 829 775	136 651 510
Non-current liabilities		10 878 461	0	7 406 845
Current liabilities	1	5 995 085	22 671 262	3 279 462
Total Equity and liabilities		151 074 191	126 501 037	147 337 817

Consolidated statement of change in equity

Amounts in SEK	Note	Share capital	Other contributed capital	Profit/loss brought forward, incl. profit/loss for the period	Total equity
Opening equity 01/01/2019		34 528 213	206 261 994	-104 138 697	136 651 510
Comprehensive income for the period				-2 450 863	-2 450 863
CLOSING EQUITY 31/3/2019		34 528 213	206 261 994	-106 589 560	134 200 647
Opening equity 01/01/2018		19 013 563	181 208 514	-93 974 752	106 247 325
Comprehensive income for the period				-2 417 550	-2 417 550
CLOSING EQUITY 31/3/2018		19 013 563	181 208 514	-96 392 302	103 829 775
Opening equity 01/01/2018		19 013 563	181 208 514	-93 974 752	106 247 325
Comprehensive income for the period				-10 163 945	-10 163 945
New share issued		15 514 650	29 106 910		44 621 560
Transaction costs			-4 053 430		-4 053 430
CLOSING EQUITY 31/12/2018		34 528 213	206 261 994	-104 138 697	136 651 510

Consolidated cash flow statement - summary

Amounts in SEK	Note	2019	2018	2018
		Jan - Mar	Jan - Mar	Jan - Dec
Operating activities				
Profit/loss for the period		-2 450 864	-2 417 550	-10 163 945
Adjustments for items not included in the cash flow		206 828	10 351	12 794
Cash flow from operating activities before changes in working capital		-2 244 036	-2 407 199	-10 151 151
Cash flow from changes in working capital				
Change in working capital		216 249	-9 692	-612 403
Change in operating liabilities		2 287 478	844 066	-833 615
Cash flow from operating activities		259 691	-1 572 825	-11 597 169
Cash flow from investment activities		-5 430 479	-1 063 158	-14 883 792
Cash flow from financing activities		-175 416	3 000 000	33 260 856
Cash flow for the year		-5 346 204	364 017	6 779 896
Opening cash and cash equivalents		9 152 854	2 372 958	2 372 958
CLOSING CASH AND CASH EQUIVALENTS		3 806 650	2 736 975	9 152 854

Parent Company Income statement - summary

Amounts in SEK	Note	2019	2018	2018
		Jan - Mar	Jan - Mar	Jan - Dec
Net revenue		0	0	0
Other operating income		0	0	0
Total operating income		0	0	0
Other external costs	2	-1 367 569	-1 529 416	-6 981 753
Personnel expenses		-950 028	-583 253	-2 203 855
Depreciation of property, plant and equipment and intangible fixed assets		-	-10 351	-12 794
Operating profit/loss		-2 317 597	-2 123 020	-9 198 402
Other interest income and similar profit/loss items		0	0	-
Interest expense and similar profit/loss items		-101 923	-294 530	-965 543
PROFIT/LOSS FOR THE PERIOD		-2 419 520	-2 417 550	-10 163 945
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME				
Other comprehensive income		-	-	-
Total comprehensive income for the period		-2 419 520	-2 417 550	-10 163 945
Attributable to:				
Parent Company shareholders		-2 419 520	-2 417 550	-10 163 945
TOTAL		-2 419 520	-2 417 550	-10 163 945

Parent Company Balance sheet - summary

Amounts in SEK	Note	31/03/2019	31/03/2018	31/12/2018
Assets				
Non-current assets				
Intangible assets		142 529 043	123 277 930	137 098 564
Property, plant and equipment		-	2 288	-
Financial assets		30 977	31 204	31 048
Shares in subsidiaries		50 000	50 000	50 000
Currens assets				
Other current assets		839 102	452 640	1 055 351
Cash and cash equivalents		3 763 413	2 693 737	9 109 617
Total assets		147 212 535	126 507 799	147 344 580
Equity and liabilities				
Equity		134 238 751	103 836 537	136 658 272
Non-current liabilities		7 505 687	0	7 406 845
Current liabilities		5 468 097	22 671 262	3 279 463
Total Equity and liabilities		147 212 535	126 507 799	147 344 580

Accounting policies

The Group

This interim report was prepared in accordance with IAS 34 Interim Financial Statements and in accordance with RFR 1 of the Swedish Financial Reporting Board and, for the Parent Company, RFR 2. The same accounting policies and calculation methods are applied as in the last interim report. For a detailed description of the accounting policies applied for the Group and the Parent Company in this interim, see the annual report of 2018.

IFRS 16 is applied by the company from January 1, 2019. On the transition to IFRS 16 on January 1, 2019, the company has used a modified retroactive method. The lease liability is the sum of the present value of all future fees until the lease expires. The simplification rule has been applied at the transition.

According to the new standard, lessees must report the obligation to pay leasing fees as a leasing debt in the balance sheet. The right to use the underlying asset during the leasing period is reported as an asset. Depreciation of the asset is recognized in profit or loss as well as an interest on the lease debt. Leasing fees paid are reported partly as interest payment and partly as amortization of the lease debt.

In the parent company, the exception in RFR 2 regarding leasing agreements will be applied. This means that the parent company's policies for accounting of leasing will be unchanged.

Notes to the Financial Statements

Note 1 Related parties

The following are considered to be related parties: Subsidiaries included in the Group; members of the Company's board; senior executives in the Group and close family members of such persons. Nordic Iron Ores had no debts to related parties per March 31, 2019.

Note 2 Key ratios (Group)

Amounts in SEK	2019 Jan - Mar	2018 Jan - Mar	2018 Jan - Dec
The Group			
Equity ratio (%)	88.83%	82.08%	92.8%
Earnings per share	-0.12	-0.02	-0.67
Equity per share	6.74	0.95	6.86
Quick ratio (%)	77.49%	14.07%	311.3%
No. of shares	19 909 775	10 963 665	19 909 775
Weighted average no. Of shares before dilution	19 909 775	10 963 665	15 238 299
Weighted average no. Of shares after dilution	19 909 775	10 963 665	15 238 299

Key ratio definitions

Equity/assets ratio:

Equity as a per cent of the balance total.

Earnings per share:

profit/loss after tax in relation to the weighted average number of shares.

Equity per share:

Equity in relation to the number of shares on the balance sheet date.

Quick ratio:

Current assets excluding stock in relation to current liabilities.

This press release contains information that Nordic Iron Ore AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was publicised by a press release on the 22 May 2019 at 08.30.

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