

Nordic Iron Ore AB announces positive outcome of the Blötberget Feasibility Study

Nordic Iron Ore announces that the Blötberget Feasibility Study (undertaken by Golder Associates) has been completed. The study shows that the conditions are in place for a profitable mining operation.

The Feasibility Study shows, among other things, the following:

- An annual operating profit (EBITDA) of approximately USD 63 million (SEK 596 million) at full operation.
- Operating profit for the project (EBITDA) of USD 702 million (SEK 6,640 million).
- Operating margin (EBITDA) of 44%.
- The repayment period for investment has been estimated at 5.6 years after the start of production.
- The calculations have been based on a production cost of USD 56.9 per tonne of product with an average iron content of just over 69%.
- The net present value before tax (NPV), using an 8% discount rate is USD 111 million (SEK 1,050 million) and USD 219 million (SEK 2,071 million) for a 4% discount rate.
- The project's internal rate of return (IRR) has been calculated at 15.4% before tax and 13% after tax.
- The economic life of mine (LoM) is 12 years.

The calculations have been made with a number of alternative assumptions for the future price trend for the product that will be produced. The base case, which the above figures refer to, is based on a combination of long-term forecasts and gives a total turnover of approximately USD 1,626 million (SEK 15,381 million) for the project.

- Conversion USD / SEK has been made at the rate of SEK 9.46 per USD

Conservative basic scenario

According to the study, the total investments up to the start of production, including approximately USD 25 million in capitalized indirect costs during construction and USD 21 million set for contingency, is calculated to be USD 255 million (SEK 2.4 billion). A total capital funding requirement of USD 261 million is calculated when also accounting for the working capital requirement

A study of this kind shall determine estimated future operating costs and investments with a security of plus / minus 15 percent. Golder has based the study on the assumption that the company invests in all equipment and conducts its operations under its own management. The study is also based on traditional operation with diesel-powered vehicles and ore hoisting via conveyor belt. However, Nordic Iron Ore's ambition is to evaluate the possibilities of using the latest, environmentally friendly and efficient technology to the greatest extent possible.

Some uncertainty still exists regarding the extent of previous mining and the status of existing underground infrastructure. This can only be determined after the mine has been emptied of water, which is why the study relates to the construction of a new mine under the existing one. Thus, the potential of the historical areas has been left out of the calculations.

As a consequence of the study, parts of the mineral Resources can now be classified as mineral Reserves. The result is that 34 Mt is classified as mineral Reserve out of the total 55 MT mineral Resource in Blötberget. The fact that the mineralization is open to the depth as well as possible additions from the existing mine indicates good opportunities to extend the life of the mine. Nordic Iron Ore's plans in the long term to develop the Väsman deposit also bring good growth potential.

The above means that the study can be seen as a relatively cautious basic scenario that shows the outcome when certain uncertainties have been eliminated. The assumptions made in the study will be further developed and clarified during the detailed planning and continued work in collaboration with selected service and machine suppliers. The company's hope is that the continued preparatory work will result in further improved conditions in the form of, for example, increased ore reserves, earlier production start and reduced capex.

"The study shows that there are good conditions for mining at Blötberget. Mining operations in Blötberget should be able to operate with good margins (EBITDA) and thus withstand fluctuations in world market prices, which is of great importance. With the Feasibility Study as a basis, we are now continuing our preparatory work and look forward with confidence to work together with future suppliers and the region around Ludvika to develop the Blötberg project and, in the future, to realize our ambitions with Ludvika Mines," says Nordic Iron Ore's CEO Lennart Eliasson.

Construction Financing

The main purpose of the Feasibility Study is to qualify the project for construction financing. Nordic Iron Ore continues to evaluate various financing options and has initiated various activities to ensure an optimal combination of debt and equity for the project.

A summary of the report will be published on the company's website in the near future. A press release will be sent out when this has happened.

For further information please contact:

Lennart Eliasson Managing Director
phone: +46 70 640 5177

lennart.eliasson@nordicironore.se

Nordic Iron Ore Group is a mining company with the ambition to revive and develop the iron ore production of Ludvika Mines in Blötberget and Håksberg. The company also intends to expand its mineral resources, and upgrade them to ore reserves, primarily through exploration and other studies of the connecting Väsman field. The Company has all the necessary permits in place for the mine in Blötberget and will be able to produce iron ore of extremely high quality.

For more information, see www.nordicironore.se.

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

This information is required and provided by Nordic Iron Ore AB (publ) under the EU Market Abuse Regulation. The information was provided by Cision for publication at the date and time set above.