

Nordic Iron Ore AB publishes scoping study for the Väsman field

The mining consultant SRK has been commissioned to conduct a scoping study to assess the conditions for and design an appropriate approach for the continued development of the Väsman iron field, which is a major expansion potential for Nordic Iron Ore AB. The study has now been reported to the company and a presentation of the results is published on the company's website.

An important part of the work has been to plan the design of a mine, based on existing data on the mineralization in the area of the mining concession in southern Väsman. SRK describes here a development with mining partly under Finnäset and Lyviksberget and partly in a mineralised zone under Lake Väsman. The mine described is planned to connect to the industrial area that is already designed to be built for the Blötberg mine, via a tunnel that connects to the exit conveyor from the Blötberget mine.

Mine planning is based only on the mineral resources that have been defined with drilling work in the area of the mining concession for South Väsman. This means that only a limited part of the overall potential mineral resources in the Väsman area as indicated by intensive magnetic measurements of the Väsman field are included in the calculations. The study assumes that the beneficiation plant being built for Blötberget will be supplemented to also be able to handle ore from Väsman. Total investments up to the start of operations, above and below ground, are estimated at USD 67.3 million.

Using new processing technologies it has been assumed that the product will contain around 68% Fe and the annual production volume is assumed to amount to approximately 1.3 – 1.5 million tonnes of product per year at full production. This gives a mine life of approximately 7 years and result in a net present value (NPV) for the project of USD 70.9 million (approximately SEK 690 million) at a discount rate of 8%.

The study also describes an alternative arrangement where the ore bodies in southern Väsman are also reached from the north via a tunnel from the existing entrance ramp in Iviken. This alternative offers great advantages for the continuation of the project by providing good conditions for effective exploration of northern Väsman. The cost of the additional investments in this alternative lowers the net present value of the project by about USD 7.3 million, but the potential for future cost efficient ore production in northern Väsman is estimated by the company to increase with this alternative.

The study recommends further exploration to expand mineral resources and proposes, among other things, a supplementary drilling program.

It should be noted that a scoping study cannot be compared with the feasibility study recently presented for the mine in Blötberget. It is only an initial study for the continued development of the entire Väsman field that, according to NIO's strategy, will extend the life span and increase the total annual production for the total Ludvika Mines project. However, the study gives a strong positive indication that this strategy is possible.

A presentation of the study can be found on the company's website under Technical Reports.

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 (info@wildecos.se tel +46-8-545 271 00).

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