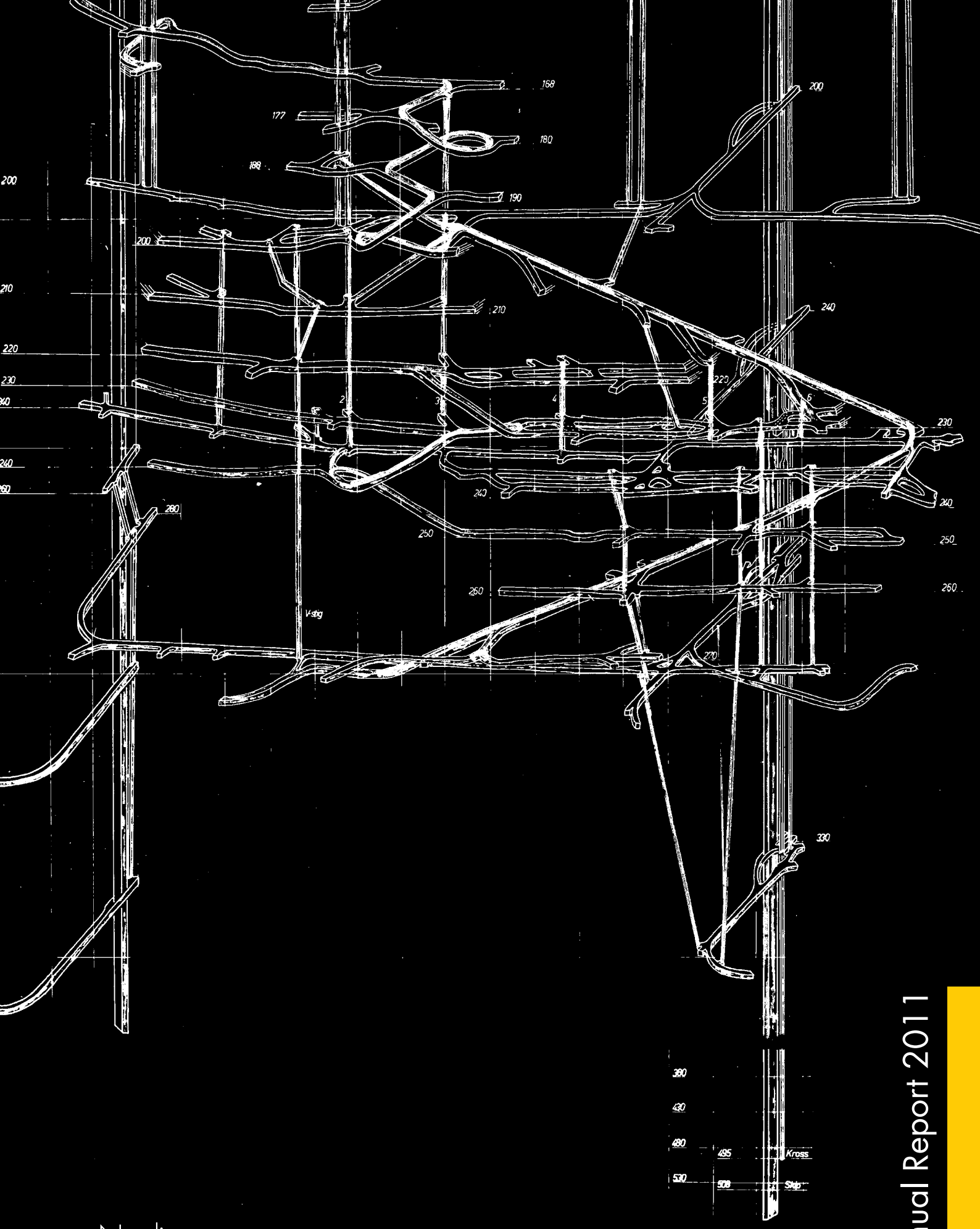
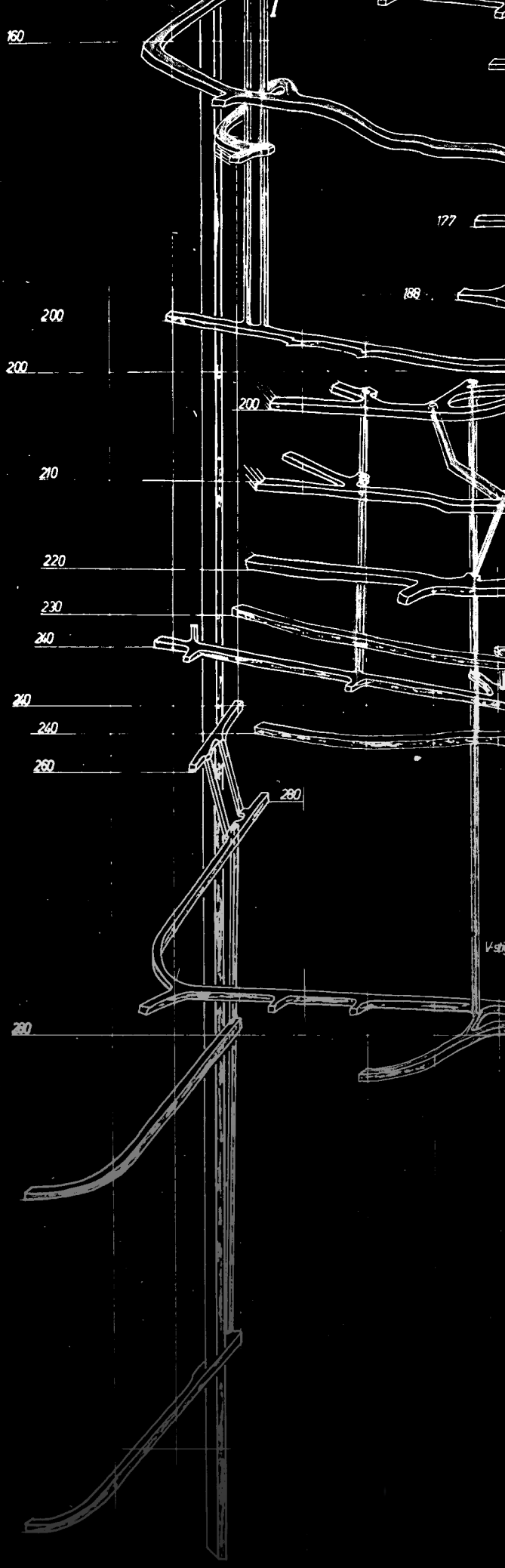


Nordic Iron Ore™

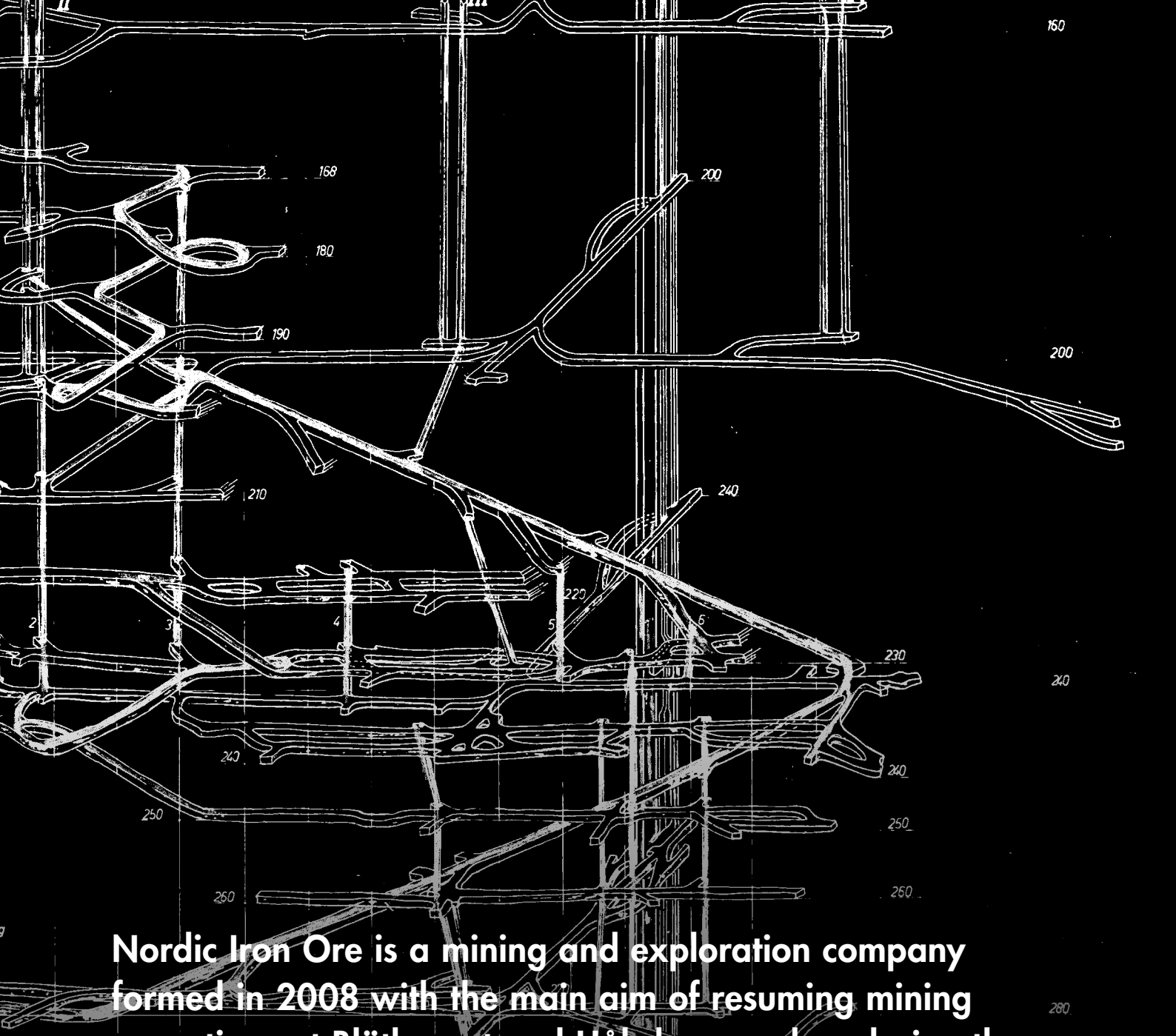
Annual Report 2011

Contents



Mine layout Blötberg

The image on the front page is a sketch of the extensive shafts and inclined trackways that are already in place at the Blötberget Mine south of Ludvika for which Nordic Iron Ore has received an exploration concession. The Company plans to restart mining operations using the 280 metre level as the new main level.



Nordic Iron Ore is a mining and exploration company formed in 2008 with the main aim of resuming mining operations at Blötberget and Håksberg and exploring the expansion potential in the intermediate Väsman field – altogether Ludvika Mines, in southern Dalarna. Nordic Iron Ore's establishment and expansion plan is justified by a robust demand for steel with favourable iron ore prices and the economies of scale resulting from the Company being the first developer ever to integrate the major iron ore mineralizations in the Ludvika region.

For more information: www.nordicironore.se

Nordic Iron Ore in brief

THE COMPANY IN BRIEF

Vision
Nordic Iron Ore will be one of the major Swedish producers of high quality 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 others, and develop them into operational mines with good long-term profitability that can supply high quality products to steel mills in Europe and other parts of the world.

Objectives
Nordic Iron Ore's operational objective before the end of 2015 is that the Company should have:

- resumed mining activities at Blötberget and Håksberg, with an expected annual production of about 2.2 million tonnes of finished product at full operation
- significantly expanded the scope of the mineral resources, primarily through exploration within the Väsman field
- applied for an exploitation concession and environmental permit for the Väsman field
- completed a feasibility study for a major increase in annual production

Nordic Iron Ore has a financial target of, two years after the start of production, achieving a sustainable level of profitability after financial costs that is at least in line with the industry average.

Strategy
Nordic Iron Ore has the ambition to become one of the major Swedish producers of iron ore products. The Company will initially be developing the iron ore mineralizations around Ludvika Mines and eventually assess other iron ore deposits under its own auspices or together with another operator. The strategy is to:

- explore, identify and develop quality iron ore deposits
- create efficient mining operations, concentration and transport solutions
- be an attractive business partner with high delivery reliability producing high quality iron ore products for the selected customer segment

Asset portfolio
Since its start in 2008, Nordic Iron Ore has acquired a number of exploration permits and established a portfolio consisting of a total of 19 exploration permits for iron ore deposits in Bergslagen.

The Company's top-priority projects include deposits at Blötberget and Håksberg near Ludvika. The Väsman field which is located between these deposits represent an interesting prospect for expansion. The deposits are located along an approximately 15 km long iron ore vein that runs from Blötberget in the south to the north section of the Håksberg field. For the first time in history this vein is being explored by one company/owner.

Ludvika Mines

	Mineral resources					
	Measured		Indicated		Inferred	
Project	Mt	% Fe	Mt	% Fe	Mt	% Fe
Blötberget	-	-	13.9	42.6%	10.2	42.9%
Håksberg	-	-	25.4	36.4%	11.6	36.0%

	Exploration target	
Project	Mt	% Fe
Väsman	600-650	19-47%

FINANCIAL YEAR 2011 IN BRIEF

Projects

- During the autumn of 2011 Nordic Iron Ore was granted exploitation concessions for Blötberget (August) and the Håksberg field (December). In December Nordic Iron Ore presented its feasibility study (Preliminary Economical Assessment) that indicates good feasibility for the future mining of iron ore deposits at Blötberget and Håksberg.
- In addition, Nordic Iron Ore reported a preliminary evaluation of the magnetic measurements made across the Väsman field in the winter of 2011. This indicates that the Väsman field could be one of the larger iron ore deposits in Sweden.

Organisation

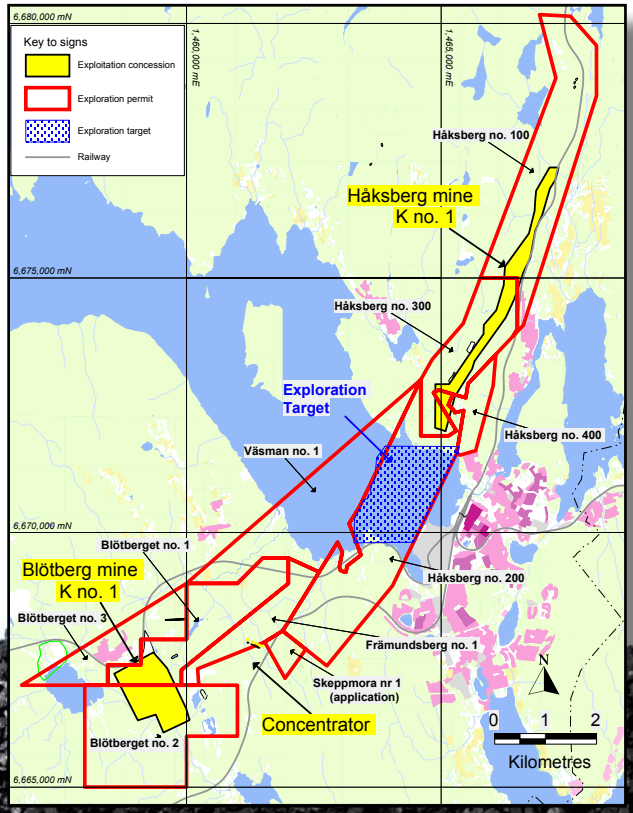
- During the year the Company opened offices in Danderyd and Ludvika, and after having previously been run as part of the holding company Kopparberg Mineral's organisation, an internal organisation was created with a management team comprising the Chief Financial Officer, Technical Director, Head Geologist and Director of Marketing, all with significant knowledge from the industry and extensive experience from similar projects.
- In September, an extraordinary general meeting was held where Ulf Adelsohn was appointed as an ordinary Board Member and Chairman through new election, and Per Storm as ordinary Board Member. Anders Bengtsson, Jonas Bengtsson, Thomas Jansson, Christer Lindqvist and Lars-Göran Ohlsson were appointed through re-election as ordinary Board Members.

Financing

- In January 2011, a share issue of SEK 22.5 million was made for the purpose of funding the implementation of a preliminary feasibility study and building an organisation.
- In June Nordic Iron Ore appointed a financial adviser for a planned listing on First North. The aim was to conduct a public offering in connection with an issue of SEK 140 million to strengthen the capital base and broaden the ownership structure. The issue amount is needed mainly to fund the work on a final feasibility study and an extensive drilling program, focused primarily on the Väsman field, and to operate the business up until the time the investment in plant and mines is planned to start, when substantial additional capital will be required.

Significant events after the end of the financial year

- In February 2012 the proposed listing on the NASDAQ OMX First North was suspended, as demand was not large enough to ensure a successful presence on the exchange.
- Instead, the board decided to raise capital from a limited group of investors and without any subsequent market listing. Work on this is in progress.



A unique second chance

Iron ore has been mined in the Ludvika vicinity since the 1500s. It is really just over the last 30 years that the mining industry has been dormant, which is a relatively short time from a historical perspective. The price trends for iron ore over the last decade, and the continued good market prospects, have presented Ludvika Mines with a unique second chance. Efforts to restart the mines are extensive and are putting great demands on the interaction between the Company and the society in which we operate. But it is with genuine commitment and pride that we have decided to take the next, new step towards resuming mining operations in Ludvika in 2012.

THE MARKET IS BUOYANT AND INTEREST IS GREAT

The conditions for restarting the mines could not be better. A sustained increase in the demand for steel and consequently for iron ore too, has pushed prices to historically high levels that appear to be holding firm. Demand is being driven by developing countries with China and India at the forefront. With an ever improving material standard of living for the average population of these countries, a significant investment has been made in both the overall infrastructure and in household products. At the same time, the costs of Chinese iron mines are rising due to an ever decreasing iron content, rising inflation and more stringent environmental requirements. Highly enriched iron ore is in great demand on the market and is being traded at a premium, which is particularly positive for Nordic Iron Ore, which plans to produce a highly concentrated iron ore product. We already have contacts with several steel mills, and there is great interest in our project and our planned products.

MAJOR ECONOMIES OF SCALE WITH EXCITING OPPORTUNITIES FOR EXPANSION

The Ludvika Mines project is unique in the sense that it has been categorised as a brown field project, covering primarily the restart of operations at the former mines at Blötberget and Håksberg. This means a lower risk in several respects compared with the mining and production of entirely new deposits. The geology at Ludvika Mines and the ore enrichment properties are well known and the mineral resources, that were calculated and reported when mining operations were suspended, have been verified in connection with the Company's completed PEA study. The mining and railway infrastructure already in place is also of great importance and means considerable project savings. Intensive efforts are currently underway to obtain the critical environment permit and to ensure the practical conditions for full-scale production. Planning has started on work that is aimed at creating the conditions to ensure that the life of the mines can be extended, and to enable our ambition of increasing annual production to the order of five million tonnes which, with modern logistical solutions, can be transported to one or more deep-water ports.

In addition to the mineral resources at the existing mines at Blötberget and Håksberg, we have a unique opportunity for major expansion of production in the future thanks to the intermediate and unexploited Väsman field which may prove to contain substantial mineral resources. In 2012, we plan to begin work on increasing our geological knowledge of the Väsman field through additional measurements and a drilling programme. Although the mining industry in Ludvika is several hundred years old, now is the first time that the 15 km long vein of iron ore from the northern section of the Håksberg field, across the Väsman field, to the southernmost ores at Blötberget have been verified by a single owner. This has created unique opportunities and significant economies of scale. The conditions for developing and integrating the Väsman field over time with Blötberget and Håksberg and therefore significantly expanding our mineral resources are in my opinion also very good.

WE KNOW WHAT AWAITS – WE'VE DONE IT BEFORE

A lot of intensive work lies ahead of us with a number of challenges of both a formal and practical nature. The work requires that we are constantly one step ahead in our planning work in order to cope with the potential risks along the way. This is made possible by several of the management team and members of the Board having previously participated in similar projects elsewhere in the country and even globally. We are already holding far-ranging discussions with various suppliers, customers, stakeholders and partners. This is one way of preventing unforeseen obstacles and delays. For the same reason a thorough approach is being adopted when it comes to applying for environmental permits. We need to find workable, profitable and sustainable solutions that minimise any adverse impact on people, animals and the natural environment in the vicinity of the mines. As part of the preparatory work we have recruited several key staff in 2011, and thereby created a team of qualified employees with extensive experience and valuable contacts.

A HISTORIC OPPORTUNITY

The tradition of ore mining is strong in Ludvika, and I often meet locals who have worked in the mines themselves when they were operational and who talk about their memories and experiences from the days when mining was an key part of the area. The restart of the mines means a lot more than we can measure

or put a price on. We are resuming where several generations before us left off, in a tradition that is embedded in the rock walls. It is not enough that we have the market on our side. A precondition for success is that we have the local population with us too. This is why I spend a lot of my time meeting Ludvika residents to take on board their experiences, answer their questions and seek their involvement.

We are not the only ones to see the market opportunities, but we can offer several advantages over other iron ore projects. We have well-defined mineral resources, the ability to produce high quality iron ore products and a central location with unusually good access to railway links of a good standard. In addition, we may have a unique opportunity for expansion through the significant Väsman field where we are increasing our exploration efforts in order to define the potential mineral resources at the earliest possible date to enhance the profitability of the project as a whole. It therefore looks as if the historical iron ore operations in the Ludvika region have a promising future.

Christer Lindqvist

Market

APPLICATIONS

In nature, iron occurs in a bound form, together with carbon dioxide, oxygen, sulphur or water. The vast majority, 99 percent, of the iron ore mined is used to produce steel and comes in the form of dressed ore, lump ore or pellets. Another application is heat storage blocks that are used to save electrical energy at night when the electricity price is low. Magnetite is used in this manufacturing process, which is one of the most important ore-forming iron minerals due to its high density. Furthermore, iron ore is used as heavy aggregate, for example, for oil platforms and bridge foundations.

GLOBAL TRADE IN IRON ORE

Global production of iron ore has increased by 95.7 percent, or 893.6 million tonnes since 2001. This took place in the face of the steel industry's sharp decline over the financial crisis in 2008 when, among others, the construction, automotive and engineering industries were hit hard by the global economic recession. 2010 was a strong year of growth for the global mining and steel industries. Global consumption of steel reached record levels and the strong demand for steel resulted in iron ore prices soaring.

Emerging economies with major investments in infrastructure projects, such as China and India, are driving the market. As a group, developing countries accounted for almost 66 percent of

Iron ore products

Nordic Iron Ore plans to produce a concentrate, intended for the manufacture of pellets or sinter, with a high iron content and that is well suited for the European market and neighbouring markets such as Turkey and the MENA region. In Europe, it is likely that the product is best put to use as a composite component for sintering, since its high iron content allows for increased productivity. For the market in Turkey and the MENA region, finely concentrate for the production of pellets, or DRI pellets, is most likely. In Asia, pelletised concentrate will probably be the main demand from steel producers with pelletisers.

CONCENTRATE

Concentrate iron ore is an enriched iron product that may have a typical grain size of <7mm. These products (pellet feed, sinter fines, concentrate) are used as raw materials for the sintering and pelletising processors located usually at the steel mill or the mine. The finer products, <0.1mm are more suitable for the pelletising process. These products less than 6mm are not suitable for charging directly to the Blast Furnaces.

LUMP ORE

Lump ores are relatively unprocessed and can usually be charged directly to a blast furnace or direct reduction process. Lump ores generally carry a premium price compared with sinter feed and concentrates. Iron content can vary from 55%Fe to 678%Fe, though high quality lump ore is becoming less readily available.

SINTER

Typically sinter feed (SF) is a >1-6mm iron ore, often concentrated by washing and other processes. Sinter is generally manufactured by the steel companies by blending new SF products with other carbon and Fe bearing waste to produce a sinter product that can be charged directly to the blast furnace. Typically sinter contains 56-62%Fe

PELLETS

Pellets are produced through the agglomeration of fine ores using a binder, such as bentonite, and then fired in a kiln. Typically pellets are 8-16mm and are charged directly to a blast furnace or a direct reduction (DR) furnace. Pellets provide the steelmaker with a consistent product which can enhance the steelmakers productivity and fuel consumption, and hence the pellets tend to trade at a premium to other iron products.

IRON MANUFACTURE IN A BLAST FURNACE

Source: Cuervo Resources, Raw Materials Group

the total imports of iron ore in 2010. China is the world's largest importer of iron ore. In Europe, the largest iron ore importers are Germany, France, Italy and the UK.

The three largest companies active in the iron ore industry, Brazilian Vale, Rio Tinto and BHP Billiton, together controlled 35 percent of global production and 65 percent of the seaborne trade of iron ore in 2010. In the Nordic countries there are only a few operators, where Swedish LKAB, with three producing mines in Kirunavaara, Malmberget and Gruvberget, is the only iron ore mining company. LKAB is a major producer in Europe, but only accounts for less than 3 percent of global production. In addition to LKAB, there are at least five other Scandinavian iron ore projects which are in various stages of development, including Nordic Iron Ore.

PRICING OF IRON PRODUCTS

The price of iron ore will vary depending on iron content and quality, and depending on the location in the world from where the iron ore is shipped. The spot price as quoted each day relates to a standard price of dressed ore with an iron content of 62 percent with free delivery to a Chinese port. In addition to iron ore with an iron content of 62 percent, the ore is traded with iron contents of 58 percent, 63.5 percent and 65 percent. To some extent prices correlate with the iron content. The most linear pricing occurs for dressed ore. There will usually be a price premium for products with an iron content higher than 62 percent.

TREND IN 2011

Despite a decline of 31 percent in the iron ore market in October 2011, the price for iron ore remains at a historically high level. There are several reasons for this. India, for example, reduced its exports of iron ore as the country has an ever growing demand for iron ore in its domestic steel production, while lower iron content in the ore mined in China led to dramatic increases in production costs. As a result, lower shipping costs made it more beneficial to import iron ore to China.

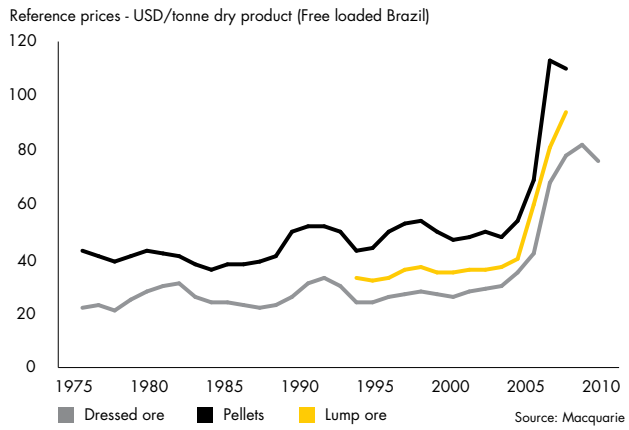
As a consequence of the prevailing high global demand for iron ore, the world's iron ore producers are trying to expand their capacity. About 250 iron ore projects, globally, were launched in early 2011. If all of these reach a production stage, the supply of iron ore is expected to rise by 50 percent over the next decade. However, there is a lot that suggests that many of these projects may be delayed and that the iron content may be lower than expected. In addition, the world's leading iron ore producers in Brazil and Australia have had problems in achieving the expected volume increases. Despite the strong global demand for iron ore, little, if any, extra capacity has been added in the market for seaborne trade of iron ore products. The price level for these has therefore remained high.

FUTURE PROSPECTS

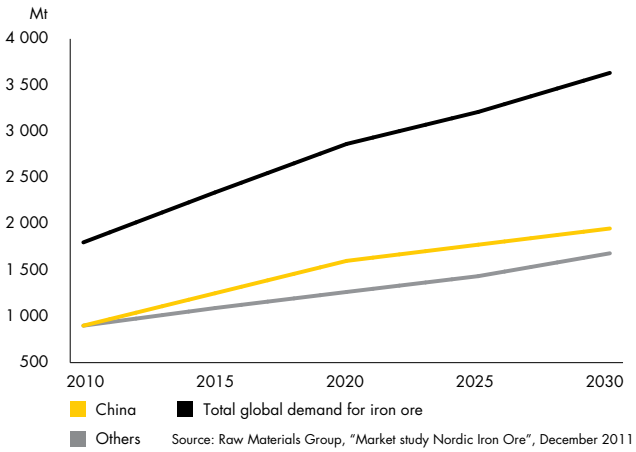
Growth

Based on the assumption of an unchanged relationship between the demand for iron ore and steel production, the forecast demand for iron ore is 1,910 million tonnes in 2011 and 1,999 million tonnes in 2012. The main factors for this market over the coming years include a reduced growth in demand for steel in China, while demand in the rest of the world is expected to grow despite the uncertain macroeconomic situation. This means that the rate of growth in global demand and steel production will be at historically high levels, but lower when compared to the last decade. Chinese iron ore production is projected to be significantly lower than in 2007 despite the fact that prices for iron ore have more or less continuously risen over the past two years. Iron ore production outside of China is expected to grow to satisfy the increasing demand and the new projects that will

Reference prices



The expected trend in demand for iron ore



be developed. However, delays in the implementation of these projects may be caused by bottlenecks at different stages in the process.

In the slightly longer term, growth in the global steel industry in general is deemed to be stable but with the exception of the marginally lower growth over the next few years. By way of estimation, global average growth is expected to be 3 percent until 2030 when steel production is expected to reach 3,000 million tonnes, compared with a current production of 1,400 million tonnes.

Regions

In the longer term, Australia and Brazil will generally be the dominant countries in the global production of iron ore. In India, which has large iron ore resources of good quality and a fast-growing steel industry, most of the produced iron ore is likely to be used domestically. China will play a crucial role with an average consumption growth for steel of just over 4 percent, reflecting an average growth in demand for iron ore of more than 3 percent. Chinese production of iron ore is forecast to decline slowly. If prices fall, production will fall faster with a "shake out" in China, where many iron ore producers will close down their operations.

Other fast-growing regions include India, where the expected steel production is estimated at 350 million tonnes in 2030 (average growth of 9 percent), South-east Asia, where the expected production in 2030 is estimated at 110 million tonnes (average growth of over 5 percent) and South America, where production is estimated at 120 million tonnes (over 5 percent). In the MENA region (Middle East and North Africa) steel output in 2030 is expected to be155 million tonnes with an average growth rate of just over 5 percent.

Driving forces

Generally, growth is estimated by examining and taking into consideration the development phase that countries and regions are presently in, and how long the steel-intensive phase is expected to last. Countries at earlier stages of development, such as Indonesia, are still at their "trigger point" for steel use, i.e. the phase where the use of steel starts to grow strongly. India, which is considered to have a slightly more advanced economy, is undergoing, like China, a phase of strong growth. However, China has reached the point at which the growth in steel use has begun to slow. More mature economies find themselves in, or have passed their peak for steel use. However, there are very few indications to suggest that steel use would actually decrease, and saturation points between individual countries can be markedly different due mainly to the industrial structure of the countries.

Sources:
China import Iron Ore Fines 62% Fe spot (CFR Tianjin port) USD/metric tonne, Bloomberg.
UNCTAD, "The Iron Ore Market 2010-2012", July 2011.
Raw Materials Group, "Market study Nordic Iron Ore", December 2011.

Development of a mining project

Nordic Iron Ore works with all stages of the mine development process, from exploration to production. A mining development process in general consists of four main parts: the permits, exploration, evaluation, and planning/construction. Preparations for the start of mining operations are regulated by extensive legislation, notably the Minerals Act and the Environmental Code, where the Swedish Mining Inspectorate and the County Administrative Board are the supervisory authorities.

PERMITS

The licensing process for the extraction of ore in Sweden is primarily regulated by the Minerals Act and the Environmental Code. The permits required for the development process are usually an exploration permit, exploitation concession and environmental permit. In addition, you require building permits issued by the relevant municipality.

EXPLORATION

In order to localise deposits and upgrade mineral resources a continuous programme of exploration is undertaken for the entire development process. This is done through core drilling and geophysical surveys. When knowledge of the mineralisation is sufficient, a calculation is made of the mineral resources that forms the basis for the calculation of mineral reserves and the continued evaluation of the deposits.

EVALUATION

The evaluation phase includes surveys in several stages with increasing levels of detail. These aim to get more detailed knowledge of the opportunities for conducting profitable ore extraction. The initial study forms the basis for the design of the application for an exploitation concession. The next step then normally begins, which is a preliminary feasibility study (called Preliminary Economic Assessment (PEA) or Preliminary Feasibility Study (PFS)). Pending a favourable review from the PEA/PFS, a feasibility study is conducted that serves as the basis for investment and production decisions. An important aspect of these studies is the calculations leading to estimates of mineral reserves and the results of completed ore processing tests. The Environmental Impact Assessment is also an important part of the process, along with the technical investigation leading up to the environmental permit application, and the ore processing tests that form the basis of the above cost-benefit studies.

PLANNING AND CONSTRUCTION

After obtaining an exploitation concession, a process of construction planning generally begins and test mining and ore processing tests are carried out on a larger scale. Construction and installation of the plants is normally initiated after the environmental permit has been secured, investment and production decisions have been taken and the required funding is in place. After the start of production a running-in period is normally required before the mine and ore processing plant reach full capacity.

RULES AND REGULATIONS – MINERALS ACT AND THE MINING INSPECTORATE OF SWEDEN

Minerals Act
The exploration and extraction of ore in Sweden, on your own land as well as the land of others, can only be conducted in accordance with the Minerals Act. The Act defines, among other things, the minerals that the regulatory framework applies to, known as concession minerals.

The Swedish Mining Inspectorate
The Swedish Mining Inspectorate, which is a decision-making body within the Geological Survey of Sweden (SGU), acts as the licensing authority and is responsible for ensuring the Minerals Act is complied with.

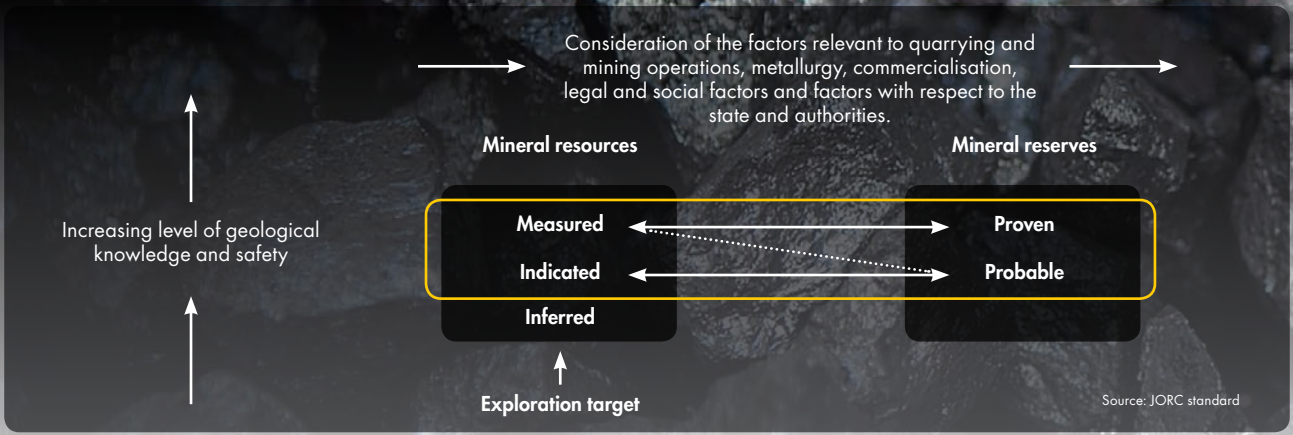
Exploration permit
In order to search for ore in Sweden you need an exploration permit. An exploration permit authorises the holder to have fixed-term exclusive rights to exploration in the area, as well as preferential rights for obtaining the subsequent exploitation concession. An exploration permit is normally valid for three years with the possibility of extension, initially by three years. Further extensions can be obtained if there are special and important circumstances.

Exploitation concession
If the deposit is considered economically sustainable following the explorations, the Swedish Mining Inspectorate issues an exploitation concession that gives the holder the right to mine the ore in the deposit for 25 years, with a right of renewal of the concession.

Environmental permit
For mining to commence an environmental permit is also required from the Land and Environment Court. As supporting documentation for the application, extensive analysis and investigation is conducted of the impacts of activities on the environment. These studies are documented in an Environmental Impact Assessment (EIA).

Land allocation
When an exploitation concession is obtained, the land can if necessary, be used through what is known as land allocation. In such cases, the Swedish Mining Inspectorate regulates the amount of possible compensation to the landowner.

Calculation of mineral resources and mineral reserves



The figure above illustrates the current framework for how mineral resources and mineral reserves should be classified. Mineral resources are calculated and classified by what is called a Qualified Person (usually an experienced and reputable geologist) based on geological information obtained from core drilling, solid ground observations and geophysical surveys etc. With increased reliability in the calculations, mineral resources are classified as inferred, indicated or measured. Mineral reserves are calculated based on the indicated and measured mineral resources with regard to, among other things, technical and economic considerations for mining and concentration as well as issues of a legal nature. The calculations include ore losses and waste rock dilution when mining. Normally the indicated resources are converted to probable mineral reserves and measured mineral resources to proven mineral reserves. However, in the event of uncertainties in the assessment factors, the measured mineral resources should be converted to probable mineral reserves.

EXPLORATION TARGET

The Australian regulatory framework (JORC) allows that tonnage and content ranges are published for exploration targets, provided that the method of determination is reported and that it is clear that further exploration is necessary for a classification of mineral resources to be made, and that it is not certain that the exploration results allow an estimate of any future mineral resources. All information on this (exploration target) must be expressed in a way that cannot lead to misinterpretation. Consequently, terms like mineral resource or mineral reserve may not be used in this context.

In a technical/commercial context, the terms mineral resource and mineral reserve are used for classifying tonnage in a deposit. A mineral deposit or mineralisation is the geological term that refers to the accumulation in the rock of economically interesting minerals such as magnetite, haematite, chalcopyrite, sphalerite, apatite and gold.

MINERAL RESOURCES

The term mineral resource means a mineralisation of sufficient quality and quantity rendering the possibility of commercial extraction of metals or minerals. Mineral resources are classified according to a geological knowledge level as:

- Inferred mineral resources
- Indicated mineral resources
- Measured mineral resources

These are the terms set by the Australasian Joint Ore Reserves Committee (JORC standard).

Inferred mineral resources

An inferred mineral resource is the part of a mineral resource for which quantity, content or quality can be estimated on the basis of geological studies and limited test mining and reasonably estimated, although unconfirmed, geological context and content context. The assessment is based on limited information and test mining accumulated through appropriate techniques from outcrops, test pits, quarry grinding and boreholes.

The uncertainty that characterises an inferred mineral resource means it cannot be assumed that all or any part of this can be upgraded to an indicated or measured mineral resource following continued exploration work. The certainty of the assessment is insufficient to permit a meaningful application of technical and economic parameters or to conduct an economic evaluation that is worth publishing. Inferred mineral resources are excluded from estimates that form the basis of feasibility studies or other economic studies. However, inferred mineral resources may be part of a PEA, provided that it is clear that the study is conceptual in nature and that the assumptions that the Qualified Person has made are being referred to.

Indicated mineral resources
An indicated mineral resource is the part of a mineral resource for which quantity, content or quality, density, shape and physical properties, can be assessed with an accuracy that is sufficient to allow the appropriate application of 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 boreholes that are close enough to presume that geological and content continuity exists.

A mineralisation can be classified as an indicated mineral resource by a Qualified Person when the quality, quantity and distribution of data is such that this allows a certain interpretation of the geological structure and to reasonably confirm the mineralisation's continuity. The Qualified Person must be clear that the term indicated mineral resource also implies feasibility studies for the project. The calculation of an indicated mineral resource has sufficient quality to be included in a calculation of probable mineral reserves which can be included in a feasibility study.

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 a certainty that is sufficient to allow the appropriate application of 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 boreholes of sufficient density to confirm that both geological and content continuity exists.

A mineralisation or other natural material of economic interest, can be classified as a measured mineral resource by a Qualified Person when the nature, quality, quantity and distribution of data is such that the mineralised tonnage and contents can be determined with good accuracy and any deviations from the calculation result does not significantly affect the economic results. This knowledge category requires a high degree of familiarity with, and understanding of, the geology and the parameters that control the appearance of the deposit.

MINERAL RESERVES

Mineral reserves are classified based on their knowledge level as:

- Probable mineral reserves
- Proven mineral reserves

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

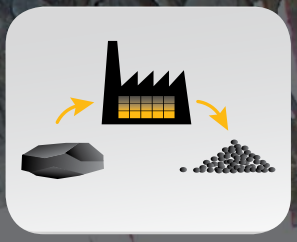
Proven mineral reserves
A proven mineral reserve is the part of a measured mineral resource, which through at least one pre-feasibility study has proven to be economically viable to mine. This study must include adequate information on mining, concentrations, metallurgy, economic and other relevant factors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

Project overview

Exploration

Mining operations

Concentration



Transport

Customers

Nordic Iron Ore intends to conduct extensive exploration with the aim of extending and securing mineral resources and mineral reserves, especially in the area around Ludvika Mines – Blötberget and Håksberg. The objective of the exploration is to increase the mineral resources in connection with the deposits where mining is planned as well as upgrading them for an upcoming estimation of mineral reserves. An additional purpose is to investigate the Väsman field to such an extent that a mineral resource estimate can be made. For other exploration permits, the exploration provides an opportunity for the Company to identify and prioritise new mineral resources.

Mineral assets and mineral resources

- Existing mineral resources
  - *Blötberget*
  - *Håksberg*
- Other mineralisation
  - *Väsman*
  - *Other exploration permits*
- Ability to expand the Company's available mineral resources through exploration

Nordic Iron Ore intends in the first instance to resume mining operations at Blötberget and Håksberg. Underground mining is planned where the existing infrastructure from previous mining operations can be utilised. At Blötberget and Håksberg the planned run of the mine (ROM) is 5.5 million tonnes per year when fully operational. In addition, if the results of the exploration are positive, this could make future mining possible in particular at the Väsman field, but also in deposits within the scope of the Company's other exploration permits.

Crude ore

- The first stage involves the start up of mining operations at Blötberget and Håksberg
  - *Production start Q1 2015**
  - *Planned Run-of-Mine (ROM) 5.5 MTPA **
  - *Planned Life of Mine (LOM) ~12 years*, ***
- A potential second phase at Väsman

In connection with the mining regions at Blötberget and Håksberg, the Company intends to construct a plant for the concentration of ore from both deposits, with the option of expansion if the Väsman field proves to be viable from a mining standpoint. The concentration process must provide a high quality iron ore concentrate to be produced with an estimated iron content of at least 67 percent. For mining at both Blötberget and Håksberg, the concentrator, when fully operational, is expected to deliver about 2.2 million tonnes of iron ore concentrate per year.

High quality product

- A concentrator is planned adjacent to the mining regions at Blötberget and Håksberg
- 67 percent iron content*

Through its central location in Bergslagen, Nordic Iron Ore's mining region has access to existing rail infrastructure linking the mining region with several possible shipping ports. Primarily the ability to ship iron ore concentrate from the deep-sea ports at Gävle, Oxelösund and in the future Lysekil is being investigated.

Effective logistics

- Existing rail links with two possible deep-water ports and in the future also to Lysekil
- Port of Gävle (Panamax)
- Port of Oxelösund (Panamax)
- Port of Lysekil (cape size >150,000 DWT***)

Nordic Iron Ore's end product, finely dressed ore/concentrate, will be sold and shipped by rail and sea to potential customers in Europe, the Middle East and China. The finished iron ore concentrate must be sintered or pelletised before it is used in the blast furnace, which is why the products will be delivered to customers with access to sintering or pelletising plants. By planning for high-quality iron ore products, and the early establishment of close partnerships with selected steel producers, distribution should be secured.

Long-term supply contracts

- Focus on iron ore concentrate
- Potential customer base in Europe, the Middle East and China
- Average price (FOB) as PEA USD 121/DMT*
  - *Current price USD 139.9/DMT*****
  - *Premium USD 5 per % unit of iron above 62%**
  - *Average shipping cost difference USD 24/DMT**

* Based on PEA data from October 2011. Refers only to Blötberget and Håksberg.

** Based on the current mineral resources with 15 percent waste rock content and 15 percent ore loss, a full-scale production rate of 5.5 million tonnes per year and estimated commissioning and decommissioning periods.

*** Refers to vessels with a maximum load capacity that is normally greater than 150,000 dead weight tonnes (the total weight of cargo, fuel, stores, crew and passengers), which because of its size must round the Cape of Good Hope or Cape Horn.

**** According to Chinese import of dressed ore 62% iron content spot (CFR Tianjin) USD/DMT, Bloomberg January 30, 2012.

ASSET PORTFOLIO

Nordic Iron Ore AB was formed in 2008 whereby the Company acquired twelve exploration permits from Archelon Mineral AB, IGE Nordic AB (now Nickel Mountain Resources AB (publ)) and Kopparberg Mineral AB. The resource portfolio has been gradually expanded to a total of 19 exploration permits for iron ore deposits in Bergslagen, a historic iron ore region where mining has been conducted since the 1500s. All deposits except Kölen, the Väsman field and parts of the Håksberg field are known as "brown-field" projects and ore has previously been mined in the now defunct facilities. The Company's project portfolio includes iron mineralisation in the exploration permits and exploitation concessions with a total area of 9,423 hectares.

In total, Nordic Iron Ore controls indicated mineral resources of 39.3 million tonnes (with an iron content between 36.4 and 42.6 percent) and 21.8 million tonnes (with an iron content between 36.0 and 42.9 percent) of inferred mineral resources in accordance with the JORC standard.

Ludvika Mines

The Company's top-priority projects include deposits at Blötberget and Håksberg field near Ludvika. The Väsman field is located between these deposits which represent an interesting prospect for expansion. The deposits are located along an approximately 15 km long vein of iron deposits that run from Blötberget in the south to the north section of the Håksberg field. For the first time in history, this vein is being controlled by a single owner. In both the Blötberget and Håksberg fields, mining operations were in progress until 1979 when the then owner, SSAB, closed the mines. The mines were not exhausted at this time, but operations were shut down due to low ore prices and a lack of efficiency and poor profitability.

Nordic Iron Ore's objective is to resume mining operations at Ludvika Mines by 2015 that when fully operational, will mine 5.5 million tonnes of crude ore per year, which is expected to give an annual production of about 2.2 million tonnes of finished iron ore products, with about a 67 percent iron content. Given this mining rate and that the indicated and inferred mineral resources at Blötberget and Håksberg can be upgraded to mineral reserves, the two mines have an estimated potential lifespan of about twelve years. Production could be increased if exploration results show that the intermediate Väsman field is viable for mining. In addition, the Company intends to continuously explore, evaluate and maintain other permits for any future development and mining.

List of exploration permits and exploitation concessions in the Company as of December 31, 2011

Current exploration permits

Permit ID	Name	Mineral	Validity period	Area (ha)
2007:148	Blötberget 1	iron	29/05/2007-05-29 - 29/05/2012	303.00
2007:167	Blötberget 2	iron	07/06/2007-05-29 - 07/06/2012	500.00
2010:100	Blötberget 3	iron	16/06/2010-05-29 - 16/06/2013	217.00
2007:201	Burängsberg 1	gold	19/07/2007-05-29 - 19/07/2012	190.64
2007:88	Finnmossen 2	iron	19/03/2007-05-29 - 19/03/2012	17.24
2008:222	Främundsberget 1	gold	25/09/2008-05-29 - 25/09/2012	156.03
2007:156	Håksberg 100	iron	30/05/2007-05-29 - 30/05/2012	528.18
2007:157	Håksberg 200	iron	30/05/2007-05-29 - 30/05/2012	636.98
2007:158	Håksberg 300	iron	01/06/2007-05-29 - 01/06/2012	272.01
2011:7	Håksberg 400	iron	17/01/2011-05-29 - 17/01/2014	81.39
2007:192	Idkerberget 1	iron	04/07/2007-05-29 - 04/07/2012	93.00
2005:73	Kölen 3	copper	25/04/2005-05-29 - 25/04/2012	113.63
2009:33	Kölen 5	iron	11/02/2009-05-29 - 11/02/2012	2,636.37
2007:202	Laxsjöfältet 1	gold	20/07/2007-05-29 - 20/07/2012	2,706.25
2007:197	Rundberget 3	gold	06/07/2007-05-29 - 06/07/2012	200.33
2008:136	Stråssa 1	iron	14/07/2008-05-29 - 14/07/2012	124.29
2008:176	Stråssa 2	iron	02/09/2008-05-29 - 02/09/2012	65.36
2008:177	Stråssa 3	iron	02/09/2008-05-29 - 02/09/2012	97.80
2010:109	Väsman 1	iron	02/08/2010-05-29 - 02/08/2013	483.46

Existing exploitation concessions

Name	Mineral	Validity period	Area (ha)
Blötbergsgruvan K no 1	iron, lanthanum, lanthanides, apatite	30/08/2011-05-29 - 30/08/2036	126.4287
Håksberg Mine K no 1*	iron, copper, gold, molybdenum	15/12/2011-05-29 - 15/12/2036	136.2986

* The Swedish Mining Inspectorate's decision has not yet come into force.

MEASURES AHEAD OF THE PLANNED RESTART OF LUDVIKA GRUVOR

The development of Ludvika Mines will follow an established plan in which several steps need to be completed before any mining operations can be initiated at Blötberget and Håksberg. The actual construction start up of the project will begin immediately after the completion of a feasibility study, the issue of the environmental permit and the securing of the necessary funding. All of these conditions are expected to be satisfied around the middle of 2013. To accelerate the overall development of the project, a number of activities will be implemented simultaneously. At the same time, it is obviously in the interests of the Company to optimally utilize the potential of the intermediate Väsman field.

Exploitation concession

In 2010 and 2011 Nordic Iron Ore applied for exploitation concessions for the deposits at Blötberget and the Håksberg field. On August 31, 2011 the exploitation concession was obtained for Blötberget and December 15, 2011 for the exploitation concession for the Håksberg field. However, the concession for Håksberg has not yet come into force.

Environmental permit

Nordic Iron Ore's stated policy is to limit the environmental impact from operations and will therefore take into account relevant environmental aspects when planning and taking decisions. The Company intends to continue to maintain an open dialogue with authorities, other community stakeholders and local residents affected by the planned operations. The Company is currently finalising an environmental impact assessment and plan to submit applications for environmental permits to the Land and Environment Court in summer 2012. The application for environmental permits include the planned activities at both Blötberget and the Håksberg field as well as the concentrator and refers to an annual production of 6.0 million tonnes of crude ore, which corresponds to at least 2.2 million tonnes of dry iron ore product. The processing period at the Land and Environment Court is expected, under normal circumstances, to be between 12 and 15 months.

Feasibility study

The Company is planning to begin work on a feasibility study in 2012. Work on the study will be led by a steering committee with representatives from Nordic Iron Ore's management and Board and be conducted in a project organisation consisting of employees and consultants. For the implementation of the study, additional core drilling is required the results of which will form the basis for a new calculation of mineral resources in accordance with the JORC standard. Pending a favourable outcome from the study, a decision will be made to start mining, provided that both the necessary permits and funding are secured.

Test mining

The Company intends to initiate test mining in 2012 of representative mineralisations at both Blötberget and the Håksberg field. Permits for test mining have been granted by the County Administrative Board. The samples of mined iron ore will be used in various ore processing tests. The results from these will form the basis for the final processing configuration and design of the necessary equipment. A calculation of investment and operating expenses in the planned concentrator will then be made. The intention is that the concentrated final product can be used for trial deliveries for potential buyers. Trial deliveries are considered necessary in order to enter into supply contracts with potential customers with respect to the planned production.

Investment decision

After an environmental permit has been obtained from the Land and Environment Court, and subject to the planned completed feasibility study being positive, and that funding has been secured, Nordic Iron Ore intends to take decisions on the capital expenditure needed to resume production and then start shipping to customers.

Ludvika Mines

	Mineral resources*										
	Measured		Indicated		Inferred						
Project	Mt	% Fe	Mt	% Fe	Mt	% Fe	Classified to	Exploitation concession	Exploitation concession valid until	Status	Brown field (yes/no)
Blötberget	-	-	13.9	42.6%	10.2	42.9%	JORC**	Yes	August 30, '-36	PEA	Yes
Håksberg	-	-	25.4	36.4%	11.6	36.0%	JORC**	Yes	December 15, -36	PEA	Yes

	Exploration target***						
Project	Mt	% Fe	Classified to	Exploitation concession	Exploitation concession valid until	Status	Brown field (yes/no)
Väsman	600-650	19-47%	JORC***	-	-	Exploration	No

* Calculation carried out by Thomas Lindholm, Qualified Person, as per technical report dated August 31, 2011. The report is available on the Company's website (www.nordicironore.se).

** The mineral resources are currently classified under the JORC standard which is an Australian classification system for mineral resources. This provides guidelines for companies that send information to investors, the media and the stock exchange regarding their mineral projects. For more information about the classification system, see "Market - Calculation of exploration results" (Page 35).

*** The exploration target (according to JORC) is a type of asset for which both quantity and quality is conceptual in nature and there has been insufficient exploration to enable the definition and classification of any mineral resources. Moreover, it is uncertain if further exploration will result in mineral resources being identified and classified. It cannot be excluded that further exploration might substantially affect the aspirations of an exploration target. The technical report from October 7, 2011, refers to the interpretations and judgements by Håkan Mattsson classified by Thomas Lindholm, Qualified Person. The report is available on the Company's website (www.nordicironore.se).

Project: Blötberget

Mining operations at Blötberget have a long history dating back to 1644 but it was not until 1900 that large-scale mining began. The business lasted until 1979 when the mine was closed. The deposits at Blötberget consist mainly of five mineralised bodies with magnetite and haematite. Nordic Iron Ore's application for an exploitation concession for Blötberget was granted by the Swedish Mining Inspectorate on August 30, 2011. The exploitation concession, which runs for 25 years with the option of extension, assigns the right of exploitation and utilisation of iron, lanthanum, lanthanides and apatite.

1900	Bergverks AB Vulcanus starts large-scale mining operations
1944	Stora Kopparberg Bergslags AB begins preparations for mining in the nearby mining district. The Bergslag shaft (BS) is sunk and the modern industrial site is established
1949	Stora Kopparberg Bergslags AB buys the Vulcanus mine from Flyktkapitalbyrån *(Flight Capital Agency)*
1950–1966	The mining area is integrated, both the Vulcanus mine and Bergslag shafts are utilised. Annual production reaches about 400 kilo tonnes of crude ore which gave 220 kilo tonnes of dressed ore products
1968–1975	The BS shaft is sunk to the 570 metre level, the BS ore skip is upgraded to an annual capacity of 600 kilo tonnes and the new plant comes into operation in December 1975
1978	SSAB is formed and Stora Kopparberg Bergslags AB hands over the Blötberget mine
1979	Mining operations cease
1980	Permits and mining rights are returned to the state
2007	New exploration permits are applied for and awarded
2008	**The permits are transferred to Nordic Iron Ore**
2011	**Obtaining an exploitation concession**

Ore field

The Blötberg field mainly consists of five mineralised bodies. Taken from west to east, these are:

- The Kalvgruvan Mine (high-apatite magnetite mineralisation)
- The Flygruvan Mine (high-apatite, haematite dominated mineralisation with minor magnetite)
- The Hugget and Betsta ore Mines (high-apatite magnetite - haematite mineralisations)
- Sandell Ore (high-apatite magnetite mineralisation)

The indicated mineral resources at Blötberget have been estimated at 13.9 million tonnes with an iron content of 42.6 percent down to the 800 metre level. In addition there are inferred resources of 10.2 million tonnes with an iron content of 42.9 percent down to the same depth. Historically, as well as the Company's completed PEA study, a cut-off of 30 percent iron has been applied for tonnage and grade calculations. Today's high iron ore price justifies that a lower cut-off can be used which probably means that the mineral resources would increase while the iron content in these decrease.

The mine

The majority of mining operations at the Blötberg mine before its closure in 1979 were above the 240 metre level. An inclined trackway connects the different mining levels from 160 metres down to 280 metres. Nordic Iron Ore plans to restart mining operations using the 280 metre level as the new main level. The mine's active main haulage level was at this level.

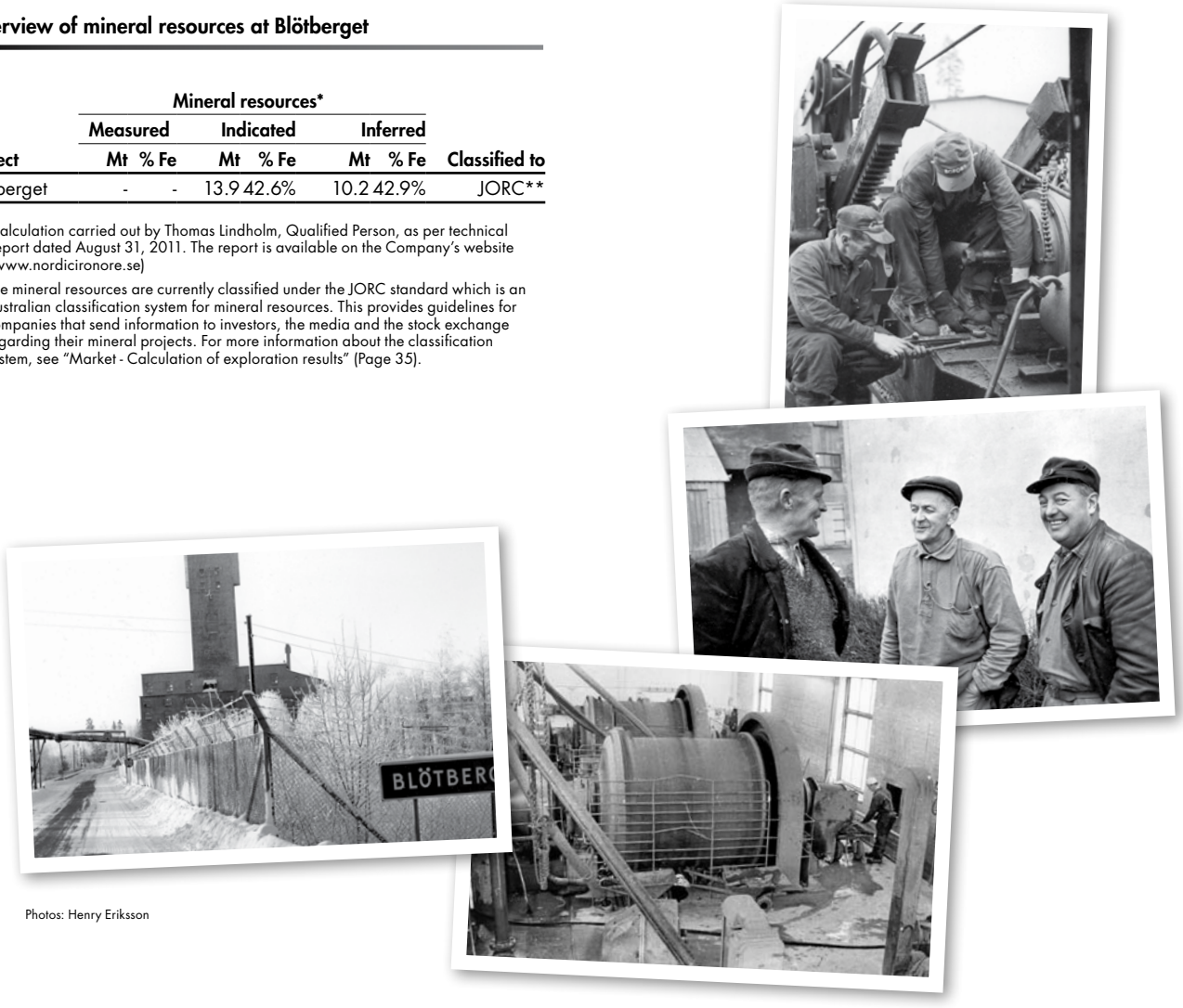
In the late 1960s, a blind shaft was sunk from 280 to 570 metres, to ensure that a deepening of the main shaft with a raise and stope could be made from this level. In addition, a new crusher station was constructed (480 metre level), a skip station (530 metre level) and pumping stations (430 and 530 metre levels), which went into service in December 1975. Before its closure in 1979, construction also began on a new haulage level at the 330 metre level, and an inclined trackway down to a 160 metre level, but these facilities were never put into operation. After the necessary renovations and additions, the Company expects to be able to utilise the existing infrastructure underground following the planned restart of operations.

Overview of mineral resources at Blötberget

	Mineral resources*						
	Measured		Indicated		Inferred		
Project	Mt	% Fe	Mt	% Fe	Mt	% Fe	Classified to
Blötberget	-	-	13.9	42.6%	10.2	42.9%	JORC**

* Calculation carried out by Thomas Lindholm, Qualified Person, as per technical report dated August 31, 2011. The report is available on the Company's website (www.nordicironore.se)

** The mineral resources are currently classified under the JORC standard which is an Australian classification system for mineral resources. This provides guidelines for companies that send information to investors, the media and the stock exchange regarding their mineral projects. For more information about the classification system, see "Market - Calculation of exploration results" (Page 35).



Photos: Henry Eriksson

Project: Håksberg

In the area around the central shaft at Håksberg, mining has been in operation since the early 1700s up to 1979. For the ores that were previously mined in connection with the central shaft and at Iviken, Ickorbotten and Källbotten, all the mines are contained within an elongated mining field with both magnetite and haematite. Nordic Iron Ore's application for an exploitation concession for the Håksberg field was granted by the Swedish Mining Inspectorate on December 15, 2011. The decision has not yet come into force. The case has been appealed by local residents in the area and will be determined by the government. The exploitation concession will, when granted, provide rights to the exploitation and utilisation of iron, copper, gold and molybdenum for 25 years, with the option of an extension.

1937	A German consortium (Fried. Thyssen AG and Hoesch AG and Guteverhuffnung-shutte) buy the Håksberg field and centralize operations to Håksberg
1947	Håksberg confiscated by Flyktkapitalbyrån
1950	Håksberg taken over by the newly formed AB Statsgruvor
1957	New concentrator and flotation equipment for the concentration of haematite installed
1960	New skip and primary crusher installed
1962	New main level at 300 metres completed which connects the southern field at Iviken with the northern field at Källbotten
1965	Gravity spirals installed and replace the flotation. New tailings dam completed
1969	Stora Kopparbergs Bergslags AB takes over the Håksberg field
1973	Inclined trackway starts at 300 metre level, reaching the 260 metre level
1978	SSAB takes over Håksberg field
1979	Mining operations stopped
1980	Permits and mining rights are returned to the state
2007	New exploration permits are applied for and awarded
2010	**Nordic Iron Ore acquires permits for Håksberg**
2011	**Obtaining an exploitation concession**

Ore field

The mineralisations at the Håksberg field occur in the four elongated parallel zones from Iviken at Lake Väsman in the south to Källbotten in the north. Iron oxide minerals are made up of 80 percent magnetite and 20 percent haematite. The bedrock comprises high-alkaline metavolcanites which have largely been converted into high-mica slaty rock types which are permeated by pegmatite and diabase.

Overview of mineral resources at Håksberg

	Mineral resources*						
	Measured		Indicated		Inferred		
Project	Mt	% Fe	Mt	% Fe	Mt	% Fe	Classified to
Håksberg	-	-	25.4	36.0%	11.6	36.0%	JORC**

* Calculation carried out by Thomas Lindholm, Qualified Person, as per technical report dated August 31, 2011. The report is available on the Company's website (www.nordicironore.se)

** The mineral resources are currently classified under the JORC standard which is an Australian classification system for mineral resources. This provides guidelines for companies that send information to investors, the media and the stock exchange regarding their mineral projects. For more information about the classification system, see "Market - Calculation of exploration results" (Page 35).

The indicated 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 percent. Previously completed drilling campaigns indicate that the potential for identifying additional tonnage at depth is significant. Below the 350 metre level, the inferred mineral resources were calculated at 11.6 million tonnes with an iron content of 36.0 percent down to the 800 metre level. A minor mineralisation of copper and molybdenum occurs locally in the field.

The mine

The ores of the Håksberg field extend over a seven km long area from Iviken at Väsman in the south to Källbotten in the north. Between Iviken and Källbotten there is a drift connection at the 300 metre level.

Photos: Henry Eriksson

Project: The Väsman field

The Väsman field could be an attractive expansion opportunity for Nordic Iron Ore. The field is a direct continuation to the south of the iron mineralisations in the Håksberg field. The bulk of the field is located under Lake Väsman west of Ludvika. The Company can therefore capitalise on its geographical location both from a logistical and infrastructure aspect, and future mining of the three fields can potentially come from a common drift system.

HISTORY

Under Lake Väsman, the magnetic mineralisations have been common knowledge since the late 1800s when the first magnetic map was drawn up of the lake. The first exploration drillings were made during the winter of 1916. However, it was not until 1954 that the then owner the Ställberg company drew up the first aerial magnetic map of Bergslagen as part of their exploration strategy, and carried out detailed magnetic measurements from the ice over Lake Väsman. The interpretations of these measurements indicated that mineralisations were substantial and that they could have a depth of at least a thousand metres.

Between 1954 and 1959 the Ställberg company has also conducted a research programme. The results of this have led to the Ställberg company deciding to continue the investigations of the southern part of the Väsman deposits underground. A shaft was sunk to a depth of 280 metres in 1960. At full-scale concentration tests, 8,000 tonnes of iron ore produced about 4,000 tonnes of dressed ore with an iron content of 65 percent. However, in 1964, the Ställberg company terminated their exploration of the Väsman field due to the projected weak price trend of the iron ore market.

Project status[1]

Nordic Iron Ore intends to initiate a major geological survey programme including additional geophysical surveys and a major diamond drilling programme in spring 2012. The drilling is intended to be started at Finnäset to complement the Ställberg company's previous studies, and then continue towards the parts of the field below Lake Väsman.

Parallel to the explorations, a scoping study will be carried out on the Väsman field in 2012. The aim is to study the overall technical and economic conditions for the integration of future crude ore production in the Väsman field with, in the first instance, the nearby infrastructure at the Blötberg mine and the plant at Skeppmora. This study, together with the results of geological surveys, will form the basis for an application for an exploitation concession and a feasibility study (PFS).

To verify and supplement the previous magnetic field measurements over the Väsman field, Nordic Iron Ore performed new measurements from the ice in the winter of 2011. Based on the results of these magnetic measurements an interpretation and modelling of the magnetic bodies has been conducted down to 300 metres. This resulted in a total of 47 magnetic bodies being identified with volumes of between 55,000 and 18,500,000 m^3. In total, these magnetic mineralisations have an estimated tonnage of between 600 and 650 million tonnes. The iron content in the magnetite mineralisations have been calculated to between 19 and 47 percent, which corresponds to a weighted average content of 29 percent.

Mineralisations are currently classified as exploration targets as per the JORC standard. The uncertainty of geophysical interpretation and modelling, and the fact that the field has previously only been explored using an inadequate number of core drill holes necessitate an extensive programme of exploration, including a large core drilling programme in order to classify the mineralisations as mineral resources as per the JORC standard.

Development and integration plans

The Company is studying various options for developing the expansion potential of the Väsman field. The conditions are such that the planned exploration activities appear to be positive, and that the necessary permits for the exploitation of the field have been obtained. The basic scenario includes a simultaneous start up of mining activities at Blötberget and the Håksberg field during the first quarter of 2015, and that production from these reaches full capacity in 2016. A gradual expansion of total production is then planned by also initiating the mining of mineralisations at the Väsman field which is expected to take place in 2016 given the inferred conditions.

At the same time the conditions for an alternative development scenario of the expansion potential of the Väsman field were investigated. This includes the initial production from the Blötberget mine starting in the first half of 2015 followed by drift tunnelling under Lake Väsman from the north of Blötberget to the south of the Håksberg field. The region is planned to be drifted so that it follows the mineralisations whereby mining and development of mineralisations at the Väsman field can be made in connection with this, thereby increasing production volumes in 2016. When the drifting has been completed, development and mining is planned at the Håksberg field. One such option could lead to substantial cost savings and lower environmental impacts at Håksberg as a train terminal above ground would not then be necessary. However, there is still considerable uncertainty about the feasibility of this scenario.

Overview of mineralizations at Väsman

	Exploration target*				
Project	**Mt**	**% Fe**	**Classified to**	**Status**	**Brown field (yes/no)**
Väsman	600-650	19-47%	JORC*	Exploration	No

* The exploration target (according to JORC) is a type of asset for which both quantity and quality is conceptual in nature and there has been insufficient exploration to enable the definition and classification of any mineral resources. Moreover, it is uncertain if further exploration will result in mineral resources being identified and classified. It cannot be excluded that further exploration might substantially affect the aspirations of an exploration target. The technical report from October 7, 2011, refers to the interpretations and judgements by Håkan Mattsson classified by Thomas Lindholm, Qualified Person. The report is available on the Company's website (www.nordicironore.se).

[1] Dr. Håkan Mattsson at GeoVista AB has been responsible for the interpretation and estimation of the tonnage and content, while the Company's independent Qualified Person, mining engineer Thomas Lindholm from GeoVista AB, has been responsible for the classification. The report is dated October 7, 2011 and is available on Nordic Iron Ore's website (www.nordicironore.se).

PEA-study

On December 5, 2011 Nordic Iron Ore announced the results of a Preliminary Economic Assessment (PEA) for the resumption of mining operations at the Blötberget and Håksberg mines. The PEA study was initiated in March 2011 headed by the consulting company Ramböll with a number of expert groups and consultants, and Thomas Lindholm as Qualified Person in accordance with JORC.

It should be emphasised that a PEA study is preliminary by definition. It contains inferred mineral resources which are considered too geologically speculative to be considered in economic terms and cannot therefore be categorised as mineral reserves. At the same time, the PEA study is a very important first step in the assessment on the project's profit potential and practical implementation.

Results

According to the plans, the mines at Blötberget and Håksberg (excluding the Väsman field) will produce 2.18 million tonnes of dry iron ore concentrate per year, which is based on an annual ore production of 5.5 million tonnes of crude ore. Mining is expected to last for twelve years; from 2015 to 2026.

It was concluded from the study that the resumption of mining activities at Blötberget and the Håksberg field already show satisfactory profitability without any volumes from the intermediate Väsman field. Using a discount rate of 8 percent and an exchange rate of USD:SEK at 1:7.00 a potential net present value (NPV) of SEK 2,907 million (USD 415 million) was obtained which relates to a future cash surplus of the project minus investment. The study shows an internal rate of return (IRR) of 24 percent before taxes and interest rates. The payback period is six years for the estimated investment for restarting the two mines.

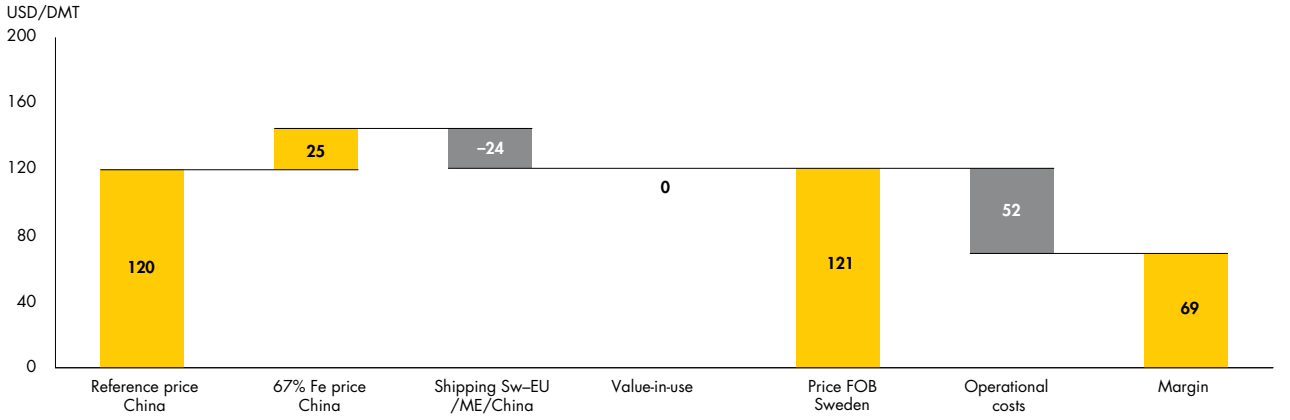
Estimates of the amount of investment and operating expenses have been compiled by Ramböll, and are based on data from all the consultants involved in the production of the PEA study. Total investments, from a decision taken on restarting mining operations at Blötberget and Håksberg at full production are estimated at SEK 3024 million (USD 432 million). Add to this staged investments for continued operation of SEK 521 million (USD 74 million) over the useful life of the mines.

Total operating expenses per tonne of dry ore concentrate (DMT) shipped free on board (FOB) at selected Swedish ports is estimated to average SEK 362/DMT (USD 52 USD/DMT) over the useful life of the project. The calculations are made with an accuracy estimated at plus/minus 25 percent.

The projected average product price (FOB Swedish port) used in the PEA study is USD 121/DMT. This is based on long-term price forecasts made by the Raw Materials Group (RMG) for the iron ore product dressed ore (62 percent iron) delivered to China (CFR Tianjin port). Based on implemented metallurgical tests, Nordic Iron Ore's concentrated iron ore product is calculated to have an iron content of at least 67 percent. It is considered that it should be possible to secure an average price premium of USD 5/DMT per the percentage of iron above standard ore with an iron content of 62 percent, which is priced in China.

In the completed PEA study it has been assumed that Nordic Iron Ore will sell equal amounts to each of the three regions: Europe, the Middle East and China, although the most favourable margin should be obtained in the European market.

Price and margin analysis as per PEA



Plant

PLANT

The smooth execution of mining projects requires both internal and external infrastructure, such as concentrators, transshipment terminals, roads, railways and ports etc. A logistics solution that effectively utilises the infrastructure is also crucial for the profitability of a mining project. As mining operations were conducted in Ludvika and at the mines in Håksberg and Blötberget up until the end of the 1970s, many vital components are already in place which greatly simplifies the restart of the mines. Nordic Iron Ore's assessment is that the historical production structure (such as inclined trackways, shafts for hoisting and ventilation as well as mine drifts and development work, etc.) equate to investment savings of at least SEK 600 million in connection with the planned restart.

Supported by Ramböll's siting study, as part of the PEA, Nordic Iron Ore plans to build a concentrator at Skeppmora near the Blötberg mine for handling and processing mined ores from both Blötberget and Håksberg.

The planning assumes that the crude ore at both Blötberget and Håksberg is crushed underground. Crude ore transportation from the mine at Blötberget will be made via a skip winding system up to about a 200 metre level, and then with a conveyor for transport from the mine to the crude ore silo at the concentrator at Skeppmora.

Crude ore from Håksberg is conveyed up via an ore skip to about a 20 metre level and from there by a conveyor through a tunnel to the surface, and a crude ore silo at the railway terminal at Håksberg. The crude ore is loaded onto rail wagons and transported via Ludvika Central to the reception terminal at Skeppmora. The crude ore is unloaded into the crude ore silo at the concentrator.

Concentrator

The concentration of iron ore from Blötberget and Håksberget will follow the same process sequence, but in two separate production lines. Concentration ends at a common flotation circuit prior to dewatering and transfer to the railway centre. The Company primarily intends to develop an iron ore concentrate with 67 percent iron content, but the planning of the concentrator also includes the capacity to produce a sinter concentrate with 62 percent iron.

The infeed of crude ore, crushed to a grain size less than 150 mm in diameter, is ground down into three stages primarily using autogenous grinding (self-grinding, without external aid) and then in the ball mill in two stages. The concentration of iron minerals between these stages is made in wet magnetic separators for magnetite, followed by gravimetric separation for the haematite part of the ore. However, for the Håksberg ore, there is the option of extracting a sinter concentrate by sieving and then crushing the outgoing material from the autogenous grinding (6-40 mm in diameter) to less than 4 mm and then a two-step dry grinding, separating and then shipping directly to the loading silo at the rail terminal.

Loading terminal

As a way of minimising costs it is considered most advantageous to place the terminal and rail yard directly adjacent to the railway's main line which will eliminate the need for long branch lines to the yard.

The rail yard is intended to be located level with Skeppmora at the relatively flat, approximately thousand metre long section of straight track on the main line. The unloading terminal is located most effectively as close to the concentrator as possible, and the crude ore terminal is planned to be located west of the rail yard.

Tailings dam

The Company plans to place the tailings dam adjacent to the previously used tailings dam at Blötberg, located approximately two km south west of the planned industrial site at Skeppmora. The advantages of this location, in addition to the proximity to the concentrator, are that the area is already affected by industrial landfill and that it can accommodate the project's total expected volume of sand.

The water content in the deposited sand results in an excess of water in the dam. As the concentration process needs water, it is important that this can be re-circulated back to the concentrator. This is made possible by decanting excess water in the tailings dam to a settling basin. This basin, which will be built adjacent to the tailings dam, will house about one Mm3. A pumping station will be built in the basin from where the water is returned via a pipeline to the concentrator.

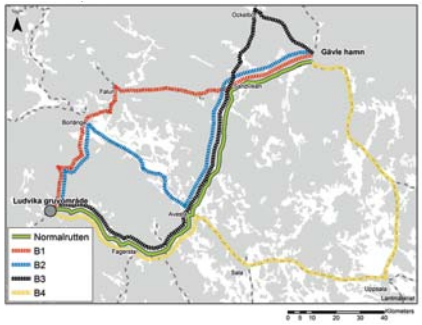
The planned tailings dam covers the area around and on top of the old tailings dam and will hold a little over 20 Mm3 of sand. Initially the settling basin and the area south of it is planned to be expanded to accommodate 6-7 years of sand production.

Overview of the concentrator and loading terminal at Skeppmora/Blötberget and raw ore terminal at Håksberg

Logistics

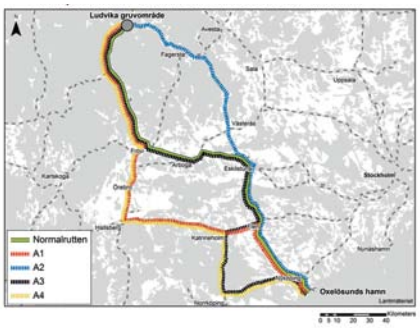
Thanks to Ludvika's favourable geographic location, Nordic Iron Ore has relatively short distances to three potential shipping ports at Gävle, Lysekil and Oxelösund. The Company is evaluating all port options for the shipping of iron ore to end customers and intends to sign a long term contract with one of the port authorities in 2012. Transportation to these goes through three existing railway lines, which each have a range of advantages and disadvantages. Parameters to be considered are the port's existing infrastructure, port depth, ice formation in the harbour over parts the year and in particular the port's distance from Ludvika, the technical performance of the railway lines and traffic load.

From the concentrator to the port of shipment and customer



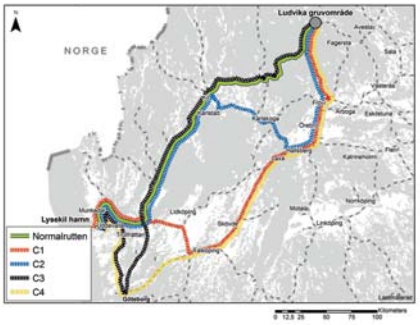
Gävle port

- Good transshipment options
- Good technical performance of the infrastructure between Ludvika and port
- Limited need for investment in the port to handle trains



Oxelösund port

- Good technical performance of the infrastructure between Ludvika and port
- Fewer transshipment options for railway transport
- Capacity constraints at unloading yard



Lysekil port

- Undifferentiated speeds on tracks
- Longer geographical distance between the mining areas and the port
- Requires extensive investments in port and rail facilities

ONGOING SOCIAL CONTACTS

In the past year, Nordic Iron Ore has been pursuing an active dialogue with authorities and politicians on various transportation solutions to ensure future iron ore transport from Ludvika to shipping ports. The Company also has a cooperation agreement with the Swedish Transport Administration for planning for the future off-site shipment of iron ore. In April, the Swedish Transport Administration has submitted its capacity survey to the government. The report has been circulated for review and will form the basis for the Infrastructure Bill which the Swedish parliament is expected to resolve in the autumn of 2012.

The Swedish Transport Administration is conducting detailed technical studies on ore traffic from Ludvika to Oxelösund and Gävle. in consultation with the Company. These studies are being conducted in parallel with the ongoing capacity study and are expected to be included in the Government's Infrastructure Bill.

Environment and sustainability

Mining operations are subject to strict environmental and regulatory requirements in particular with regard to noise, discharges and/or other emission types, the handling and disposal of substances hazardous to the environment as well as other health and safety requirements.

ENVIRONMENTAL PERMIT

For engaging in permanent mining activities, permits are required from the Land and Environment Court under the provisions of the Environmental Code. An environmental permit application is to include an environmental impact statement, which aims to identify and describe the direct and indirect impacts the planned activities can have on humans, animals, plants, soil, water, air, climate, the landscape and cultural environment, and the management of land, water, and the physical environment in general, and on other management of materials, primary products and energy. The Land and Environment Court's review procedure includes the mining and enrichment, any drainage of groundwater from the mine, construction and operation of tailings dams, and any transportation to and from the area etc.

CONSULTATION

Nordic Iron Ore's stated ambition is to minimise the impact on local residents, the wider community and the environment which is why issues relating to environment and sustainability are crucial. As part of the licensing process defined by the Environmental Code and to ensure the involvement of local residents and community, two consultation meetings have been held in Ludvika in 2011. These were an extensive consultation with the authorities and a well-attended public consultations with the local residents. The consultation, which involved questions being prepared and comments made, is part of the work of establishing an environmental impact assessment. The primary aim has been to compile any questions and comments made in order for the environmental assessment to be as complete and comprehensive as possible.

ENVIRONMENTAL COURT'S ASSESSMENT

Based on the extensive environmental impact studies undertaken and that will form the basis for Nordic Iron Ore's environmental impact assessment and application to the Land and Environment Court for engaging in activities hazardous to the environment, the Company has assessed that the impact on the surrounding environment from its planned activities and facilities will not be of the magnitude and character that will prevent current target and limit values from being met. Furthermore, the Company has not identified any specific environmental risks that cannot be handled in the usual manner within the framework for the plant of the standard that is planned.

Board of directors, senior executives and auditors

BOARD

The Board of Nordic Iron Ore currently consists of seven Board Members, including Ulf Adelsohn as chair. The reported shareholdings below include related parties and through companies or similar.

ULF ADELSOHN

Board Member and Chairman since September 2011.

Born: 1941.

Education: Bachelor of Laws, Stockholm University.

Other assignments: Humle Kapitalförvaltning AB, Moreintenz AB, Svenska Vårdfastigheter AB and Adelsohn Konsult AB. Board Member of Gummesson Gruppen AB, Holdingaktiebolaget Offentliga Hus i Norden, Konkret Fastighetsutveckling i Sverige AB, Offentliga Hus i Norden AB, Theben AB and of Transticket AB. Member of the Foundation of Acta Oto-Laryngologica, Euro Parking Collection plc and of Exportrådet.

Knowledge and experience of particular importance to Nordic Iron Ore: Ulf Adelsohn has over 40 years experience in Swedish national and regional policy making, as leader of the Moderate Party, communications minister, highways and finance commissioner and county governor, and an extensive knowledge of senior positions in Swedish administration and trade and industry, most recently as chair at SJ AB.

Holdings in the Company: 80,000 warrants.

ANDERS BENGTSSON

Board Member since June 2011.

Born: 1963.

Education: MBA, Monterey Institute of International Studies.

Other assignments: CEO, Board Member and owner of DIMITRA AB. Styrelseledamot i Bengtssons Tidnings AB, Dala Marknad AB, Bengtssons Värdepapper AB, Bjäreterrassen AB, Bjärebyholding AB, Elfvik Strand Holding AB, Fastighets AB Larsfyren, Fastighets AB Larsfyren 2, Fastighets AB Larsfyren 3, Gramame Invest AB, Kevinge Strand Fastighets AB, Kevinge Strand Holding AB, Scandinavian Biogas Fuels International AB, Solrosen Invest AB, Svenska Landsortstidningars Förlagsaktiebolag, ThisBelongsTo AB, Tvålflingan AB, Tvålflingan Holding AB, Vaktfyren Holding AB and at Vaktfyren Fastighets AB. Deputy director at Origo Capital AB.

Knowledge and experience of particular importance to Nordic Iron Ore: Anders Bengtsson is a partner at BTAB Invest and has over 20 years experience as a company executive and management consultant from business development and financing of small and medium-sized industrial and property companies.

Holdings in the Company: 2,033,684* shares and 15,000 warrants.

JONAS BENGTSSON

Board Member since June 2011.

Born: 1969.

Education: MBA, Stockholm University.

Other assignments: CEO and Board Member of Stenbe Fastigheter AB and of Dala Press AB. Styrelseledamot i Bengtssons Tidnings AB, Bengtssons Värdepapper AB, Bjärebyholding AB, Jonas Bengtsson Invest AB, Bjäreterassen AB, Jarlaparken kontorshotell AB, Origo Capital AB, Svenska Landsortstidningars Förlagsaktiebolag, Såpsjudaren Fastighets AB and at Såpsjudaren Holding AB. Deputy director at Tvålflingan AB and at Tvålflingan Holding AB.

Knowledge and experience of particular importance to Nordic Iron Ore: Jonas Bengtsson is a partner at BTAB Invest and has 15 years experience in the financial sector and the development of small and medium-sized industrial and property companies.

Holdings in the Company: 2,033,684[1] shares and 15,000 warrants.

* 73,684 shares are owned directly and 1,960,000 shares indirectly through Bengtssons Tidnings Aktiebolag.

LARS-GÖRAN OHLSSON

Board Member since June 2011.

Born: 1944.

Education: Mining Engineer, Royal Institute of Technology *(Kungliga Tekniska högskolan)*, Stockholm, Sweden.

Other assignments: CEO and Board Member of GEO-Management of Luleå AB. Board Member of Endomines AB (publ), Kopparberg Mineral AB (publ), Lappland Goldminers AB (publ) and Norrliden Mining AB.

Knowledge and experience of particular importance to Nordic Iron Ore: Lars Göran Ohlsson has over 45 years experience in exploration and evaluation of deposits. He has had operational responsibility for several of the larger Swedish exploration companies (including as CEO of Riddarhyttan Resources AB, Danemora Mineral AB, LKAB Prospektering AB), and served on the boards of fifteen companies/organisations with mining exploration-oriented activities. He is also designated as a Qualified Person as defined by the SveMin regulatory framework.

Holdings in the Company: 50,000 warrants.

PER STORM

Board Member since September 2011.

Born: 1962.

Education: Mining engineer, Degree of Licentiate and Doctor of Technology, Royal Institute of Technology, Stockholm, and MBA. University of Stockholm.

Other assignments: CEO at Kopparberg Mineral AB, Kopparberg Mining Exploration AB and at Argo AB. Chairman of the Finnish limited liability company ECCA Nordic and Board Member at Norrliden Mining AB.

Knowledge and experience of particular importance to Nordic Iron Ore: Per Storm has been active in the Swedish mining and steel industry and a supplier to it for more than 20 years. He was most recently engaged as CEO and senior consultant for Raw Materials Group RMG AB, one of the leading companies in the analysis of the mining and metal industry. He has founded and served on the boards of several smaller companies.

Holdings in the Company: -

CHRISTER LINDQVIST

Board Member since November 2008 and **CEO** since December 2010.

Born: 1956.

Education: Mining Engineer, Royal Institute of Technology *(Kungliga Tekniska högskolan)*, Stockholm, Sweden.

Other assignments: Chairman of the Board at Kopparberg Mineral AB, Argo AB, Kopparberg Mining Exploration AB and at Malmköpings Nya Spritbolag AB. Board Member of the subsidiary Ludvika Gruvor AB. Member of the Advisory Board for AEG Bioetanol Spz.o.o.

Knowledge and experience of particular importance to Nordic Iron Ore: Christer Lindqvist has been active in various managerial positions in Swedish industry for over 25 years. He has extensive experience in management and financing of international infrastructure and industrial projects, among others at ABB, STC Interfinans and Åkers AB, and later in connection with the development of Dannemora Minerals' iron ore mine.

Holdings in the Company: 388,000** shares and 50,000 warrants.

* During the period November 2008 to December 2010, Christer Lindqvist was also chairman of Nordic Iron Ore.

** The shares are owned indirectly by the company Couder Holding Ltd.

Board of directors, senior executives and auditors

SENIOR EXECUTIVES

The Company's management consists of the following senior executives. The reported shareholdings below include related parties and through companies or similar.

CHRISTER LINDQVIST

CEO since 2010. Christer Lindqvist is also a Board Member of the Company.

See "Board of Directors, senior executives and independent auditor - Board of Directors" (Page 68) for further information.

LENNART ELIASSON

CFO/Finance Director since April 2011.

Born: 1956.

Education: MBA, Uppsala University, Uppsala, Sweden.

Other assignments: Deputy director of the subsidiary Ludvika Gruvor AB

Knowledge and experience of particular importance to Nordic Iron Ore: Lennart Eliasson has worked as a chartered accountant at KPMG where he was a partner and also worked as a specialist in financial analysis and valuation issues. Following this he worked for ten years as an adviser primarily for the acquisition of venture capital and market quotations.

Holdings in the Company: 50,000 warrants.

LOUISE SJÖGREN

Head Geologist since 2011

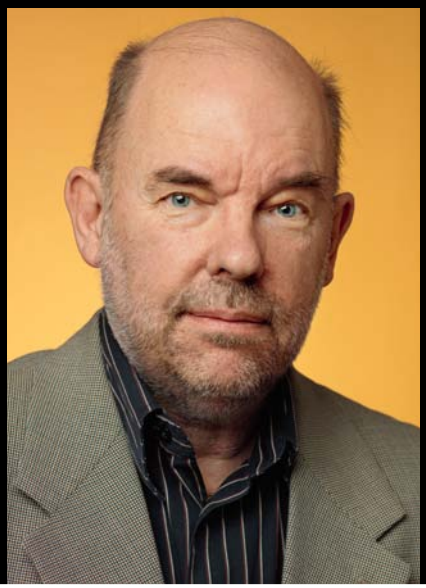
Born: 1979.

Education: Bedrock Geologist, Gothenburg University/Chalmers, Gothenburg.

Other assignments: Part of the management team for mining work training at a national level - "Professional training for mining workers starting in autumn 2012".

Knowledge and experience of particular importance to Nordic Iron Ore: Louise Sjögren has several years experience in the mining development process (from diamond drilling to mining operations), mining production and as a mining geologist in supervisory positions at Garpenberg's mine and exploration geologist in Zn-Pb-Ag and Cu-Au at Renström's mine, Kristineberg, Garpenberg and others. She has held training courses for mining work for students, production staff, and for supervisors. Louise Sjögren is a trained risk analysis manager.

Holdings in the Company: 25,000 warrants.



HANS THORSHAG

Technical director, employee of the Company since October 2011.

Born: 1950

Education: Mining Engineer, Royal Institute of Technology (*Kungliga Tekniska högskolan*), Stockholm, Sweden.

Other assignments: Board member at H T Mineral Aktiebolag and partner in Mining and Milling In Bergslagen Handelsbolag.

Knowledge and experience of particular importance to Nordic Iron Ore: Hans Thorshag has more than 35 years of experience in the mining industry as a project manager, production manager and mining specialist in companies such as LKAB, Boliden, Midroc Gold and Lundin Mining. He is also designated as a Qualified Person as defined by the SveMin regulatory framework.

Holdings in the Company: 25,000 warrants.

PAUL MARSDEN

Director of Marketing since November 2011.

Born: 1957

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

Other assignments: -

Knowledge and experience of particular importance to Nordic Iron Ore: Paul Marsden has, over the last five years, held various managerial positions at Northland Resources SA, and most recently 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 was project manager which included, among other things, responsibility for feasibility studies and global marketing of iron ore. Paul Marsden has also been appointed as a Qualified Person according to the Institute of Metals, Minerals and Mining (IOM3) and its regulatory framework.

Holdings in the Company: 25,000 warrants.

AUDITORS

At the Extraordinary General Meeting on May 16, 2008, the accounting firm Öhrlings PricewaterhouseCoopers AB was appointed as auditor of the Company with Authorised Public Accountant Annika Wedin (born 1961 and a member of FAR) as principal auditor, with a term of office for the period until the end of the 2012 AGM.

Share capital and ownership structure

SHARE CAPITAL DEVELOPMENT

Under the current articles of association, share capital is to be a minimum of SEK 1,000,000 and a maximum of SEK 4,000,000 and the number of shares must be no less than 7,000,000 and no more than 28,000,000 in number. The Company's registered share capital on December 31, 2011 was SEK 1,349,927.93 distributed over 7,784,000 shares, with each share having a par value of SEK 0.17. There are no limitations in the transfer of shares in compliance with the articles of association or applicable law.

Warrants of series 2011/2014:1

The AGM on June 15, 2011 approved a private new issue of up to 410,000 warrants for current and future key employees at the Company. Each warrant entitles the holder to subscribe to one new share in Nordic Iron Ore. The payment for these was SEK 1 per warrant. The warrants may be exercised for subscription of shares as of July 16, 2013 up to and including July 15, 2014. The exercise price for the warrants is SEK 19. Following full utilisation of the warrants, the Company's share capital will increase by SEK 71,103.60. In the event of full utilisation, the dilution effect of the warrants will be equal to about 5 percent of the total number of shares and votes in the Company, based on the currently registered share capital of SEK 1,349,927.932.

OWNERSHIP STRUCTURE

The ownership group consisted of 35 individuals and companies on December 31, 2011, with the largest owners being the Bengtssons Tidnings AB, Kopparberg Mineral AB and Archelon Mineral AB. The Company's CEO is also a major shareholder in the Company.

Shareholder agreements and specific agreements

As far as the Company is aware, there are no shareholder agreements or other agreements between the major shareholders whose purpose is to coordinate influence and control over the Company.

Authorisation for the new issue of shares

The AGM of June 15 2011 resolved to authorise the Board until the next AGM on one or more occasions, to issue new shares and/or convertibles with or without deviation from the preferential rights for shareholders, with or without consideration in kind and with or without the right of offset. The reasons for deviation from the preferential rights for shareholders as above are to secure the Company's future financing or attract new owners to the Company. The authorisation allows issues up to the upper limit of the articles of association on the number of shares which total 28,000,000.

Share capital development in brief

Time*	Company event	Change in number of shares	Total number of shares	Change in share capital (SEK)	Total share capital (SEK)	Par value (SEK)	Paid including share premium (SEK)	Issue price (SEK)
Apr 2008	New formation	1,000	1,000	100,000	100,000	100.00	100,000	100.00
May 2008	Split	-	12,000	-	100,000	8.33	-	-
Mar 2010	Non-cash issue	18,400	30,400	153,333	253,333	8.33	8,280,000	450.00
Mar 2010	Warrant	14,000	44,400	116,667	370,000	8.33	116,668	8.33
June 2010	Bonus issue	-	44,400	400,000	770,000	17.34	-	-
Sept 2010	New issue	2,500	46,900	43,356	813,356	17.34	1,250,000	500.00
Sept 2010	Rights Issue	4,440	51,340	77,000	890,356	17.34	2,220,000	500.00
Jan 2011	New issue	26,500	77,840	459,572	1,349,928	17.34	22,525,000	850.00
June 2011	Split	-	7,784,000	-	1,349,928	0.17	-	-

* Refers to timing of Company event decisions

Ownership structure as of August 31, 2011

Shareholders	Number of shares	Voting rights and capital
Bengtssons Tidnings AB	1,960,000	25.2%
Kopparberg Mineral AB	1,838,000	23.6%
Archelon Mineral AB	1,668,000	21.4%
Christer Lindqvist through companies	388,000	5.0%
IGE Nordic AB (now Nickel Mountain Resources AB (publ))	280,000	3.6%
Elbolaget i Ludvika Montage AB	200,000	2.6%
Mecapto AB	150,000	1.9%
Väsman Invest AB	100,000	1.3%
Starbo Bruk AB	100,000	1.3%
Magnus Ejnarsson	75,000	1.0%
Other shareholders	1,025,000	13.2%
Total	**7,784,000**	**100.0%**

Warrants of series 2011/2014:1

Warrants of series 2011/2014:1	No. of	Dilution at full utilisation
Options granted	405,000	4.9%
Options not yet granted	5,000	0.1%
Total number of options	**410,000**	**5.0%**

Directors' Report

All amounts are reported, unless otherwise indicated, in SEK

The Board and CEO of Nordic Iron Ore AB, corporate ID number 556756-0940 herewith submit the Annual Report for the financial year January 1 to December 31, 2011.

OPERATIONS

The Company's business consists of exploration and mining activities principally through the management and refinement of iron ore deposits via the Company's exploration permits for the Västerbergslagen region.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In September, the Company's application was granted for an exploitation concession for Blötberget, and in December the concession was granted for the Håksberg field.

Over the year, ore assessments were completed based on the historical data held at SSAB at the time of closure of the mines at Håksberg and Blötberget in 1979.

During the year the Company opened offices in Danderyd and Ludvika, and after having previously been run as part of the holding company Kopparberg Mineral's organisation, an internal organisation was set up with a management team comprising the Chief Financial Officer, Technical Director, Head Geologist and Director of Marketing.

In March, the Company also commenced work on a "preliminary economic assessment" (PEA) for the coordinated production of ores at the mines at Blötberget and within the Håksberg field. Ramböll was engaged as contract manager for the study which was presented at the end of the year. Golder Associates were engaged at the same time for the preparation of an Environmental Impact Assessment (EIA) ahead of the environmental application to be submitted in the spring of 2012.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

In February 2012, the Company made a targeted offering to the general public with an issue of SEK 140 million linked to a listing of its shares on NASDAQ OMX First North. As the demand for shares was considered insufficient to ensure adequate trading in the secondary market, the Board decided to cancel the issue and instead conduct a fund raising aimed at a limited group of investors and without subsequent listing. Work on this is in progress.

Christer Lindqvist was appointed as CEO having previously held this fund raising position on a consultancy basis.

SHARES

The share capital at the end of the financial year was SEK 1,349,928 distributed over 7,784,000 shares with a par value of SEK 0.1734 per share.

FINANCIAL POSITION, LIQUIDITY AND FUTURE CAPITAL NEEDS

The Company had a cash balance of SEK 731 thousand at the balance sheet date. The equity/assets ratio was 83.6 percent. The Company's equity was SEK 30,145 thousand, which corresponds to SEK 3.8 per share.

In the first half of 2012, the Company intends to raise capital to fund operations until the environmental permits have been obtained, and investment in the concentrator and mining equipment will be ordered, which will require a substantial amount of additional capital.

RISKS AND UNCERTAINTIES

In addition to the risks related to future global market prices for iron ore products that affect the profitability of the project as well as the technical risks, the possibility of starting up operations depends on the necessary regulatory approvals being obtained and that the extensive capital needs can be met.

BOARD OF DIRECTORS

The Board is to consist of between three and ten members, with a maximum of ten deputies. At the Extraordinary General Meeting on September 21, 2011 it was resolved that the number of ordinary Board members would be seven with no deputies. Through a new election, Ulf Adelsohn was appointed as ordinary Board Member and Board Chairman, and Per Storm as ordinary Board Member for the period up to the next AGM. Furthermore, Anders Bengtsson, Jonas Bengtsson, Thomas Jansson, Christer Lindqvist and Lars-Göran Ohlsson were re-elected as ordinary Board Members. The CEO is a member of the Board. After the end of the financial year, one Board Member left the Board at his own request. The Board currently consists of six members with no deputies. 16 meetings were held in 2011.

CORPORATE GOVERNANCE REPORT

Nordic Iron Ore AB's corporate governance report is available on the Company's website, www.nordicironore.se under the heading Corporate Governance. The corporate governance report contains information on the key elements of the Group's system of corporate governance and internal controls.

Multi-year overview

Amounts in SEK	2011	2010
Net sales	0	0
Total assets	36,038,905	18,246,578
Earnings per share before dilution, SEK	-0.98	-0.46
Earnings per share after dilution, SEK	-0.96	-0.46
Equity per share, SEK	3.87	3.15
Equity/capital ratio, %	84	89
Quick ratio, %	35	59

Proposed distribution of profit

	Amounts in SEK
Funds at the disposal of the AGM	
retained earnings	4,018,887
share premium reserve	32,191,370
profit/loss for the year	-7,415,108
Total	**28,795,149**

The Board proposes that the profit, SEK 28,795,149, is carried forward.

The Company's results and financial position are shown in the following income statement and balance sheet with supplementary information.

Income statement

Amounts in SEK	Note	2011	2010
Other external expenses	1	-5,780,994	-1,383,967
Personnel expenses	2	-1,795,567	0
Depreciation		-32,757	0
Operating income		**-7,609,318**	**-1,383,967**
Interest income		197,258	70
Interest expenses		-3,048	-32
Financial items net		**194,210**	**38**
Profit/loss for the year		**-7,415,108**	**-1,383,929**

Balance sheet

Amounts in SEK	Note	31/12/2011	31/12/2010
ASSETS			
Fixed assets			
Intangible assets			
Exploration and evaluation assets	3	33,480,859	16,995,720
Licenses	4	212,182	0
		33,693,041	*16,995,720*
Property, plant and equipment			
Machinery and equipment	5	207,515	0
		207,515	*0*
Financial assets			
Participations in Group companies	6	50,000	0
Other non-current receivables	7	30,604	30,000
		80,604	*30,000*
Total non-current assets		**33,981,160**	**17,025,720**
Current assets			
Other receivables	8	986,757	483,259
Prepaid expenses and accrued income	9	340,249	0
Cash and bank balances		730,739	737,599
Total current assets		**2,057,745**	**1,220,858**
TOTAL ASSETS		**36,038,905**	**18,246,578**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	10	1,349,928	890,356
		1,349,928	*890,356*
Unrestricted equity			
Share premium reserve		32,191,370	11,255,317
Retained earnings		4,018,887	5,402,816
Profit/loss for the year		-7,415,108	-1,383,929
		28,795,149	*15,274,204*
Total equity		**30,145,077**	**16,164,560**
Liabilities			
Current liabilities			
Trade payables		3,268,183	1,600,101
Other current liabilities		200,550	0
Accrued expenses and prepaid income	11	2,425,095	481,917
Total current liabilities		*5,893,828*	*2,082,018*
Total liabilities		**5,893,828**	**2,082,018**
TOTAL EQUITY AND LIABILITIES		**36,038,905**	**18,246,578**

Amounts in SEK	Note	31/12/2011	31/12/2010
Pledges	11		
Deposit under the Minerals Act addressed to the Mining Inspectorate of Sweden (Bergsstaten)		30,604	30,000
Rent guarantee		46,500	
Contingent liabilities		None	None

Cash flow

Amounts in SEK	Note	2011	2010
Operating activities			
Profit/loss for the year		-7,415,108	-1,383,929
Adjustment for depreciation and impairment		32,756	0
Cash flow from operating activities before changes in working capital		**-7,382,352**	**-1,383,929**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		-843,747	-481,829
Increase (-)/Decrease (+) in operating liabilities		3,811,811	2,060,018
Cash flow from operating activities		-4,414,288	194,260
Investment activities			
Acquisitions of subsidiaries	6	-50,000	0
Acquisition of property, plant and equipment	5	-229,104	0
Acquisition of intangible assets	3, 4	-16,708,489	-3,287,753
Acquisition of financial assets		-604	-30,000
Cash flow from investing activities		**-16,988,197**	**-3,317,753**
Financing activities			
New share issue, net of issue costs		21,395,625	3,365,673
Shareholder contributions received		0	480,630
Cash flow from financing activities		**21,395,625**	**3,846,303**
Cash flow for the year		**-6,860**	**722,810**
Opening cash and cash equivalents		737,599	14,789
Closing cash and cash equivalents		**730,739**	**737,599**

Supplementary information

GENERAL INFORMATION

The Parent Company is a public limited liability company registered in Sweden and headquartered in Kopparberg municipality. The address is Vendevägen 85A, SE-182 91 Danderyd, Sweden.

ACCOUNTING AND VALUATION PRINCIPLES

The Annual Report has been prepared in accordance with the Annual Accounts Act (1995:1554). Consequently, the general advice, guidance documents and statements made by the Accounting Standards Board have been applied, except for BFNAR 2008:1 Annual reporting for smaller limited companies (K2).

Receivables are recognised at the amounts expected to be received.

Other assets and liabilities are recognised at acquisition cost, unless otherwise indicated.

Income and expenses have been accrued using generally accepted accounting principles.

The accounting policies are unchanged from the previous year.

INTANGIBLE ASSETS

Exploration and evaluation assets

Exploration and evaluation assets are recognised under the guidance of IFRS 6 "Exploration for and evaluation of mineral resources". The resources are valued at cost and consist of all expenses attributable to the acquisition of concessions and expenses related to the exploration and evaluation of mineral resources. Capitalised expenditures relate primarily to the costs of geological and technical studies, licences, test drilling and laboratory analysis. This is on condition that it is probable that future economic benefits associated with the resources will accrue to the Company and that the cost of acquisition can be reliably determined. Depletion of mineral resources will only begin at the start of production and be depreciated in line with the production rate over a mining plant's economic life. The assets are depreciated over their useful economic lives. Impairment needs relating to exploration and evaluation assets are tested when facts and circumstances indicate that the carrying value may need to be impaired.

Licenses

Licences are recognised as assets and are amortised over their estimated useful lives, which amounts to five years.

PROPERTY, PLANT AND EQUIPMENT

Machinery and equipment

Property, plant and equipment is recognised at cost less accumulated depreciation and amortisation. Expenditure on improvements to the performance of assets above the original level, increases the asset's carrying value. Costs for repairs and maintenance are recognised as expenses. Depreciation is applied on the basis of the asset's estimated useful life. Straight-line depreciation is used for all types of property, plant and equipment. Machinery and equipment is depreciated over five years.

The residual values and useful lives of the assets are reviewed on each balance sheet date and adjusted as required. An asset's carrying amount is impaired immediately to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount.

CASH AND CASH EQUIVALENTS

Liquid assets include cash and bank balances, and also short-term investments with original maturities of up to 90 days.

CORPORATE RELATIONSHIPS

The financial information relates to the Parent Company. Since June 30 , the Company has owned a subsidiary that is insignificant in value, which is why consolidated statements have not been prepared.

The Company is the Parent Company, but with the support from AAA Chapter 7, Section 3, no consolidated accounts have been prepared.

Note 1 | External costs

Audit fees

Amounts in SEK	2011	2010
Öhrlings PricewaterhouseCoopers AB		
Audit assignments	118,730	40,375
Audit in addition to the audit assignment	107,346	5,750
Tax advice	0	0
Other services	0	0
Total	**226,076**	**46,125**

Note 2 | Personnel costs

Average number of employees

	2011	2010
Men	1	0
Women	1	0
Total	**2**	**0**

Gender distribution in Company management

	2011	2010
Number of Board Members	6	4
of which women	0	0
Number of other executives	2	1
of which women	1	0

Wages, other remunerations and social security contributions

	2011	2010
Board, CEO and corporate management	406,250	160,000
Other employees	1,061,155	0
Total	**1,467,405**	**160,000**
Social security contributions	476,504	50,279
Pension costs	151,098	0
Total	**627,602**	**50,279**

The CEO received remuneration in the form of consulting fees totalling SEK 1,562,406 (613,467).

These fees are recognised in Other external costs. Of the accounts payable at 31/12/2011, SEK 714,418 relate to liabilities to the CEO's company.

Pension obligations

Nordic Iron Ore AB has defined contribution plans.

Remuneration to the Board, CEO and other senior executives

2011 Amounts in SEK	Fees	Salaries	Other benefits and remuneration	Pension costs	Total remuneration
Ulf Adelsohn, Chairman of the Board	37,500	0	75,000	0	112,500
Christer Lindqvist, Board Member and CEO	37,500	0	1,562,406	0	1,599,906
Per Storm, Board Member	37,500	0	0	0	37,500
Anders Bengtsson, Board Member	37,500	0	0	0	37,500
Jonas Bengtsson, Board Member	37,500	0	0	0	37,500
Thomas Jansson, Board Member	37,500	0	0	0	37,500
Lars-Göran Ohlsson, Board Member	37,500	0	0	0	37,500
Ulrich Andersson, former Board Member	18,750	0	0	0	18,750
Patric Perenius, former Board Member	18,750	0	0	0	18,750
Tore Hallberg, former Board Member	18,750	0	0	0	18,750
Other senior executives, 3 individuals	0	1,000,000	875,900	0	1,875,900
Total	**318,750**	**1,000,000**	**2,513,306**	**0**	**3,832,056**

Remuneration to the Board, CEO and other senior executives

2010 Amounts in SEK	Fees	Salaries	Other benefits and remuneration	Pension costs	Total remuneration
Ulrich Andersson, Chairman of the Board	40,000	0	0	0	40,000
Christer Lindqvist, Board Member and CEO	40,000	0	613,467	0	653,467
Patric Perenius, Board Member	40,000	0	0	0	40,000
Tore Hallberg, Board Member	40,000	0	0	0	40,000
Total	**160,000**	**0**	**613,467**	**0**	**773,467**

Note 3 | Exploration and evaluation assets

Amounts in SEK	2011	2010
Accumulated costs of acquisition		
At beginning of year	16,995,720	5,427,967
Acquisitions by non-cash issue	0	8,280,000
Acquisitions during the year	16,485,139	3,287,753
Closing balance	**33,480,859**	**16,995,720**

Note 4 | Licences

Amounts in SEK	2011	2010
Accumulated costs of acquisition		
At beginning of year	0	0
Acquisitions during the year	223,350	0
Closing balance	**223,350**	**0**
Accumulated depreciation and impairment		
At beginning of year	0	0
Depreciation and impairment for the year	-11,168	0
Closing accumulated depreciation and impairment	**-11,168**	**0**
Carrying values	**212,182**	**0**

Supplementary information

Note 5 | Machinery and equipment

Amounts in SEK	2011	2010
Accumulated costs of acquisition		
At beginning of year	0	0
Acquisitions during the year	229,104	0
Closing accumulated cost value	**229,104**	**0**
Accumulated depreciation and impairment		
At beginning of year	0	0
Depreciation and impairment for the year	-21,589	0
Closing accumulated depreciation and impairment	**-21,589**	**0**
Carrying values	**207,515**	**0**

Note 6 | Participations in Group companies

Amounts in SEK	2011	2010
Accumulated costs of acquisition		
Acquisitions during the year	50,000	0
Closing balance	**50,000**	**0**

The table below provides a breakdown of the Company's holding of shares in Group companies at 31/12/2011.

Subsidiaries	Corp. ID no.	Reg. office	Number of shares	Share in %	Equity	Book value	Profit
Ludvika Gruvor AB	556856-2994	Ludvika	40,000	0	0	0	40,000

Note 7 | Other long-term receivables

Amounts in SEK	2011	2010
Deposit under the Minerals Act addressed to the Mining Inspectorate of Sweden (Bergsstaten)	30,604	30,000
Total	**30,604**	**30,000**

Note 8 | Other receivables

Amounts in SEK	2011	2010
Recoverable VAT	986,757	483,259
TOTAL	**986,757**	**483,259**

Note 9 | Prepaid expenses and accrued income

Amounts in SEK	31/12/2011	31/12/2010
Prepaid rental expenses	85,785	0
Prepaid insurance premiums	10,467	0
Accrued interest income	189,911	0
Other items	54,086	0
Total	**340,249**	**0**

Note 10 | Equity

Amounts in SEK	Share capital	Share premium reserve	Retained earnings	Profit/loss for the year	Total equity
Opening equity 01/01/2011	**890,356**	**11,255,317**	**5,402,816**	**-1,383,929**	**16,164,560**
Appropriation of profits			-1,383,929	1,383,929	0
New issue	459,572	22,065,428			22,525,000
New issue costs		-1,539,375			-1,539,375
Option premium		410,000			410,000
Profit/loss for the year				**-7,415,108**	**-7,415,108**
Closing equity 31/12/2011	**1,349,928**	**32,191,370**	**4,018,887**	**-7,415,108**	**30,145,077**

Note 11 | Accrued expenses and prepaid income

Amounts in SEK	31/12/2011	31/12/2010
Accrued salaries and fees	312,263	160,000
Accrued social security contributions	98,832	50,272
Accrued holiday pay	58,360	0
Diverse consultant fees	1,265,000	271,645
Accrued capitalised costs	452,859	0
Accrued pension costs	151,098	0
Other items	86,683	0
Total	**2,425,095**	**481,917**

Note 12 | Contingent liabilities and pledged assets

Amounts in SEK	31/12/2011	31/12/2010
Contingent liabilities	None	None
Pledges		
Deposit under the Minerals Act, Swedish Mining Inspectorate	30,604	30,000
Rent guarantee	46,500	0
Total contingent liabilities and pledged assets	**77,104**	**30,000**

Note 13 | Transactions with related parties

	2011		2010	
	Amounts owed to related parties at December 31	Due from related parties at December 31	Amounts owed to related parties at December 31	Due from related parties at December 31
Affiliated relationships				
CEO, through companies	714,418	0	233,375	0
Owners: Kopparberg Mineral AB	40,375	0	588,159	0
Total	**754,793**	**0**	**821,534**	**0**

	2011		2010	
	Sales of services as of December 31	Purchases of services as of December 31	Sales of services as of December 31	Purchases of services as of December 31
Affiliated relationships				
CEO, through companies	0	1,562,406	0	613,467
Owners: Kopparberg Mineral AB	0	761,475	0	1,539,521
Total	**0**	**2,323,881**	**0**	**2,152,988**

Supplementary information

The income statements and balance sheets will be submitted to the AGM on June 29, 2012 for adoption.

Stockholm, June 7, 2012

Ulf Adelsohn *Chairman*	Anders Bengtsson	Jonas Bengtsson
Lars-Göran Ohlsson	Per Storm	Christer Lindqvist *CEO*

Our Audit Report was submitted on June 8, 2012

Öhrlings PricewaterhouseCoopers AB

Annika Wedin
Authorized Public Accountant

Auditor's report

To the annual meeting of the shareholders of Nordic Iron Ore AB (publ), corporate identity number 556756-0940

REPORT ON THE ANNUAL ACCOUNTS

We have audited the annual accounts of Nordic Iron Ore AB (publ) for the year 2011. The annual accounts of the company are included in the printed version of this document on pages 36–44.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

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 Nordic Iron Ore AB(publ) as of 31 December 2011 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Nordic Iron Ore AB (publ) for the year 2011.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the annual 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.

Gävle 8 June 2012

Öhrlings PricewaterhouseCoopers AB

Annika Wedin
Authorized Public Accountant

Glossary

Apatite
A mineral composed of calcium phosphate mixed with either calcium fluoride or calcium chloride. 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.

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

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

Concentration
In general: the process in which the concentration of the valuable mineral is increased. In this Annual Report: the wet ore treatment process in which concentrates are produced from the ore through grinding and magnetic separation of floatation.

Core drilling
Rotary drilling used to bring up a core of the rock.

Cost and freight (CFR)
The seller pays the costs and freight to the ship in the port of departure, and to convey the goods to the port of destination. The risks involved in transport are the buyer's responsibility once the goods have arrived on board in the port of departure.

Cost, insurance and freight (CIF)
The seller pays the costs and freight to the ship in the port of departure, and to convey the goods to the port of destination. The seller must also provide and pay for the insurance costs. The risks involved in transport are the buyer's responsibility once the goods have arrived on board in the port of departure.

Cut-off
The lowest level that is accepted for inclusion in a calculation of tonnage and average contents.

Diabase
Fine to medium-size grained, dark grey to black hypabyssal rock, which with a 65–35 percentage volume is composed of calcium-rich plagioclase (labrador-bytownite) and to 35–65 by percentage volume of pyroxene; olivine can also occur.

DMT
Dry metric tonnes.

Dressed ore
Fine-grained iron ore product produced through the concentration of iron ore.

Environmental permit
Permit in compliance with the Environmental Code to conduct mining and ore processing.

Exploration
The search for ore.

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

Exploration permit
Permit from the Swedish Mining Inspectorate for conducting exploration within a particular area.

Exploration target
A mineralisation that is inadequately surveyed and/or surveyed using unsafe practices that any mineral resources cannot be estimated and classified according to JORC standards. It is also uncertain whether further surveys will lead to mineral resources as specified in JORC being identified.

Feasibility study
Profitability study/feasibility study. A study with sufficient accuracy that it can serve as the basis for an investment decision.

Flotation
Concentration process in which mineral grains in a liquid are lifted to the surface and "skimmed" off.

Free on board (FOB)
The seller has delivered the goods when they have passed the ship's rail at the named port. The buyer is then responsible for all transportation and insurance costs.

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

Green field
In this Annual Report, "green field" is used together with exploration in order to emphasize that this is performed in an area where data from previous mining activity does not exist and where the geology is often poorly understood.

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

Inclined trackway
Tunnel for the ascent from and descent into the mine. Often in a spiral.

Internal Rate of Return (IRR)
A measure of the average annual return an investment has yielded.

JORC (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 is the standard.

Lump ore
Iron ore product obtained when dressing.

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

MENA region
Middle East and North Africa.

Metavolcanites
Volcanic rocks which have undergone metamorphosis.

Mica
Group of rock-forming minerals which belong to the monoclinic crystal system. The crystals usually have a plate-like structure with rhombic or hexagonal shapes.

Mineralisation
Concentration of potentially economically interesting minerals in the bedrock.

Mineral reserves
Mineral reserves are calculated based on the indicated and measured mineral resources with regard to, among other things, technical and economic considerations for mining and concentration as well as issues of a legal nature.

Mineral resources
Refers to mineralisation of such quality and quantity that commercial extraction of metals or minerals may be possible. The mineral resources are classified based on geological knowledge to the extent inferred, indicated or measured mineral resources. Mineral resources are calculated and classified by a Qualified Person.

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

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.

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

Pegmatite
Igneous rocks with exceptionally coarse and variable grain size.

Pre-feasibility study (PFS)
Profitability study, which is less detailed than a feasibility study but more extensive than a PEA from which it differs by, among other things, only including measured and indicated resources in the calculations.

Preliminary economic assessment (PEA)
An preliminary economic study and early evaluation of a mining project that is designed to objectively identify the strengths and weaknesses of the project and highlight the relevant opportunities and threats, the resources required for implementation, and finally the prospects of success.

Quartz
Mineral with the composition silicon dioxide, SiO_2.

Shaft
Usually vertical "drift" that was used for the transport of ore and workers.

Sinter
Coarser product for input into the blast furnace made of fine-grained iron ore concentrate.

Sintering
Reduction processes that produce larger pieces of ore, sinter, through partial fusion.

Skip
Ore lifting cage.

Slashing
Blasting with free discharge, whereby the borehole direction is roughly parallel to the surface to which the discharge occurs.

Raise
Vertical or steeply sloping link between two levels in a mine.

Town/city
Mine adit.

PRODUCTION: VERO KOMMUNIKATION AB GRAPHIC DESIGN: SJÖ&BERG PHOTOS: HENRY ERIKSSON, THOMAS JANSSON, ISTOCK PHOTO

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