

## Nordic Iron Ore is preparing a rights issue and market listing of the share

The Board of Nordic Iron Ore AB (publ) ("NIO" or "The Company") has decided to prepare the Company for a rights issue and subsequent market listing of the Company's share in an appropriate marketplace. The decision is conditional upon the decision of the AGM. The decision is also conditional upon an agreement with the Board of Copperstone Resources AB (publ) ("Copperstone") regarding the Copperstone claim to be approved by NIO's Annual General Meeting.

"With the proposed rights issue, we look forward to being able to complete our feasibility studies for the resumption of iron ore production in Blötberget. In recent years, not least in 2017, we have taken several major steps in the right direction, where we completed the mine designs and production schedule. In addition, Bergsstaten has granted NIO the Mining Concession in the southern Väsman mineral field, which offers an opportunity to expand the operations, and if successful, can be one of Sweden's more significant iron ore resources. Together with the long-term view for the price of iron ore and the limited availability of high-quality iron ore products, such as those NIO will produce, we expect favourable market conditions when we develop our mining projects," said Paul Marsden, CEO.

Suggested offer in brief:

- Proposed offer is aimed at existing shareholders
- Proposed conditions are that three (3) existing shares entitle to subscription of two (2) shares and one (1) gratuitous warrant.
- The proposed subscription price is SEK 0.5 SEK per share.
- At full subscriptions in the rights issue, NIO will receive approximately SEK 36.5 million before issue costs
- Each warrants entitle the holder to subscribe for one (1) new share to SEK 1.0 after approximately one (1) year.
- At full utilization of the warrants, the Company will receive approximately SEK 36.5 million before issue costs.

Currently, NIO has a loan debt to Copperstone, amounting to approximately MSEK 16. According to an agreement between the companies' boards, half of the debt is settled against new issued shares in NIO at a price corresponding to the issue price of the planned rights issue in NIO. According to the agreement, the remaining part of the loan is to be converted into a convertible loan with two years' maturity ("Convertible"). The conversion rate will be SEK 1 per share and the annual interest rate will be 5.5 percent. After one year, NIO is entitled to prematurely resolve the convertible, whereby Copperstone has the opportunity to call for conversion to shares instead. At maturity of the convertible, NIO is entitled to call for conversion to shares.

Detailed information regarding the transactions, including full terms of the rights issue, warrants and convertible bonds, will be found in the notice of the Company's Annual General Meeting, which is expected to be published in week 16, 2018.

The market listing of the Company's share in an appropriate marketplace is intended to take place as soon as possible after completion of the rights issue.

### Advisor

NIO has appointed Stockholm Corporate Finance AB as financial advisor and Hamilton Advokatbyrå as legal advisor in connection with the Rights issue and listing process.

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