

Q1

Interim Report January – March 2018

Significant events during the first quarter 2018

- Mine planning, production schedule and identified mineable resource for Blötberget
- The company received a short-term loan from three major shareholders.

First quarter, 1 January – 31 March 2018

- Income amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK -2.4 million (-2.3)
- Investments during the period January – March totalled SEK 1.1 million (0.9)
- Basic earnings per share were SEK -0.02 (-0.04)
- Cash as per 31 March 2018 amounted to 2.7 million (14,4)

Significant events after the end of the period

- Subject to approval by the AGM, the board decided on a rights issue and to apply for a listing of the share.
- An agreement was reached to convert half of the outstanding loan into shares and to replace the remaining half with a convertible loan with a two-year maturity.

Key ratios (Group)

	2018 Jan - Mar	2017 Jan - Mar	2017 Jan - Dec
The Group			
Equity ratio (%)	82.08%	87.21%	84.95%
Earnings per share	-0.02	-0.04	-0.09
Equity per share	0.95	1.03	0.97
Quick ratio (%)	14.07%	841.89%	14.96%
No. of shares	109 636 650	109 636 650	109 636 650
Weighted average no. of shares before dilution	109 636 650	65 142 963	98 665 604

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

Comments from the Managing Director

Mineable iron ore defined and production schedule completed

Activities started this year refining the mine design and optimising the mining schedule followed by the issue of the preliminary (non JORC compliant) mineable resources of close to 35Mt. The mine schedule has been calculated year by year (even month by month in the early years of production) and demonstrates that the mine will produce almost 17million tonnes (Mt) in the first 12.3 years of mine life, with an average annual production rate of 1.4Mt, peaking at almost 1.6Mt/y in year 6.

The confirmed mineable reserves will be declared in the latter stages of the feasibility study, when the final specifications of the equipment have been made and the purchase quotations for the equipment and services has been compiled into the economic models. At this point a finalised production schedule will be concluded in the final feasibility report. Here further optimisation of the mining methods can be included. Some upside potential has already been identified and is anticipated to provide around 3Mt of additional reserves in the final calculations.

NIO continues to work with EU sponsored projects, the first of which ERA-MIN project StartGeoDelination had an extension in order to provide a final report including geological research in the vicinity of Blötberget. This report is expected to be concluded by the end of May 2018 and will provide valuable information to the geological section of the feasibility study report.

EU sponsored Smart Exploration is expected to start field work in Q1 2019 in the vicinity of the Ludvika mines and another exploration project under ERA-MIN, Leading Edge exploration is to start in May 2018. NIO is also party to other exploration projects submitted for consideration by the EU.

Markets

The iron ore market continues to change with respect to the higher quality premiums and the disconnect between the lower quality iron ores i.e. <63%Fe and the >65%Fe ores maintains its strength as the message to clean up the environment in the industrial areas of China is recognised as a serious instruction. Furthermore, other industrial nations also are now looking to secure high quality ores for the

future, at a time when there are limited numbers of high quality ore projects ready to produce in the next 3 years or so. Some closed projects are looking to reopen, but many of them need to rationalise and reinvest in much more efficient lower cost operations.

Despite predictions that the longer-term estimates for iron ore prices are close to \$70/t for the next year or so, falling slowly into the mid-low \$60's by the turn of the decade, premiums are expected to remain between \$2-5/t/1%Fe; sufficient to provide a \$14-35/t premium for NIO's products.

Helping the demand for quality iron ore is the recent re-emergence of direct reduction smelting technology in the form of Tata Steels Hisarna project in Europe and the continued growth in DRI production in the MENA regions.



Paul Marsden

Managing Director, Nordic Iron Ore AB (publ)



Operations

Significant events during the period

Royal Haskoning has worked on the completion of the Blötberget mine planning, the production schedule and provided the mineable iron ore. A draft report of the mine design (not infrastructure) is expected in Q2.

The company received a short-term loan from three major shareholders.

Share and ownership structure

At the end of the period the share capital amounted to SEK 19 013 563 divided between 109 636 650 with a quota value of SEK 0.17 per share. The number of shareholders totalled 3 466.

Financial position

On the balance sheet date, the Group had a liquidity of SEK 2.7million. The equity/assets ratio was 82.08%. The Group's equity amounted to SEK 104 million, corresponding to SEK 0.95 per share.

Investments

During the period January – March investments totalled MSEK 1.1. The entire amount relates to prospecting resources and investigation work for the planned resumption of mining operations in Blötberget.

Employees

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

Financial calendar

Interim report January – June 2018: 22 August 2018

Interim report January – September 2018: 22 November 2018

Year- end report for the financial year 2018: February 2019

Risks and uncertainties

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

Events after the period end

The board decided to propose to the AGM to decide upon a rights issue and to apply for a listing of the company's shares at a suitable market.

The board also reached an agreement with Copperstone Resources AB to convert half the outstanding loan into shares and to replace the remaining debt with a new convertible loan with a two-year maturity. The agreement is subject to approval by the AGM.

Operations

Ludvika, May 22, 2018

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

Tomas Olofsson
Chairman

Jonas Bengtsson

Anders Bengtsson

Johnas Jansson

Paul Marsden
Managing Director

This report has not been reviewed by the auditors.

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

For further information, please contact:

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Consolidated statement of comprehensive income - summary

		2018	2017	2017
Amounts in SEK	Note	Jan - Mar	Jan - Mar	Jan - Dec
Net revenue		0	0	0
Other operating income		0	0	0
Total operating income		0	0	0
Other external costs		-1 529 416	-1 763 397	-6 923 417
Personnel expenses		-583 253	-172 193	-798 546
Depreciation/amortization and impairment of property, plant and equipment and intangible assets		-10 351	-23 322	-89 017
Operation profit/loss		-2 123 020	-1 958 912	-7 810 980
Financial income		0	8 315	142 041
Financial expenses		-294 530	-385 680	-1 455 281
Net financial income/expense		-294 530	-377 365	-1 313 240
Profit/loss after financial income and expense		-2 417 550	-2 336 277	-9 124 220
PROFIT/LOSS FOR THE PERIOD		-2 417 550	-2 336 277	-9 124 220
OTHER COMPREHENSIVE INCOME		-	-	-
Total comprehensive income for the period		-2 417 550	-2 336 277	-9 124 220
Attributable to:				
Parent company shareholders		-2 417 550	-2 336 277	-9 124 220
TOTAL		-2 417 550	-2 336 277	-9 124 220
Number of shares				
Number of shares at year-end		109 636 650	109 636 650	109 636 650
Average no. of shares (before dilution)		109 636 650	65 142 963	98 665 604
Average no. of shares (after dilution)		109 636 650	65 142 963	98 665 604
Earnings per share				
Earnings per share, weighted average before dilution, SEK		-0,02	-0,04	-0,09
Earnings per share, weighted average after dilution, SEK		-0,02	-0,04	-0,09

Consolidated statement of financial position - summary

<i>Amounts in SEK</i>	<i>Note</i>	31/03/2018	31/03/2017	31/12/2017
Assets				
Non-current assets				
Intangible assets		123 277 930	114 289 660	122 214 772
Property, plant and equipment		2 288	78 333	12 639
Financial assets		31 204	31 360	31 204
Current assets				
Other current assets		452 640	776 676	442 948
Cash and cash equivalents		2 736 975	14 429 310	2 372 958
Total assets		126 501 037	129 605 339	125 074 521
Equity and liabilities				
Equity		103 829 775	113 035 267	106 247 325
Non-current liabilities		0	14 763 889	0
Current liabilities	1	22 671 262	1 806 183	18 827 196
Total Equity and liabilities		126 501 037	129 605 339	125 074 521

Consolidated statement of change in equity

<i>Amounts in SEK</i>	<i>Note</i>	<i>Share capital</i>	<i>Other contributed capital</i>	<i>Profit/loss brought forward, incl. profit/loss for the period</i>	<i>Total equity</i>
Opening equity 01/01/2018		19 013 563	181 208 514	-93 974 752	106 247 325
Comprehensive income for the period				-2 417 550	-2 417 550
CLOSING EQUITY 31/3/2018		19 013 563	181 208 514	-96 392 302	103 829 775
Opening equity 01/01/2017		6 337 854	176 610 003	-84 850 532	98 097 325
Comprehensive income for the period				-2 336 277	-2 336 277
New share issued		12 675 709	5 597 066		18 272 775
Transaction costs			-998 556		-998 556
CLOSING EQUITY 31/3/2017		19 013 563	181 208 513	-87 186 809	113 035 267
Opening equity 01/01/2017		6 337 854	176 610 003	-84 850 532	98 097 325
Comprehensive income for the period				-9 124 220	-9 124 220
New share issued		12 675 709	5 597 066		18 272 775
Transaction costs			-998 555		-998 555
CLOSING EQUITY 31/12/2017		19 013 563	181 208 514	-93 974 752	106 247 325

Consolidated cash flow statement - summary

		2018	2017	2017
<i>Amounts in SEK</i>	<i>Note</i>	<i>Jan - Mar</i>	<i>Jan - Mar</i>	<i>Jan - Dec</i>
Operating activities				
Profit/loss for the period		-2 417 550	-2 336 277	-9 124 220
Adjustments for items not included in the cash flow		10 351	23 322	89 172
Cash flow from operating activities before changes in working capital		-2 407 199	-2 312 955	-9 035 048
Cash flow from changes in working capital				
Change in working capital		-9 692	-100 821	232 907
Change in operating liabilities		844 066	-477 213	1 779 913
Cash flow from operating activities		-1 572 825	-2 890 989	-7 022 228
Cash flow from investment activities				
		-1 063 158	-923 901	-8 849 013
Cash flow from financing activities				
		3 000 000	17 274 221	17 274 220
Cash flow for the year				
Opening cash and cash equivalents		2 372 958	969 979	969 979
CLOSING CASH AND CASH EQUIVALENTS		2 736 975	14 429 310	2 372 958

Parent Company Income statement - summary

		2018	2017	2017
<i>Amounts in SEK</i>	Note	Jan - Mar	Jan - Mar	Jan - Dec
Net revenue				
Other operating income		0	0	0
Total operating income		0	0	0
Other external costs	2	-1 529 416	-1 763 397	-6 923 417
Personnel expenses		-583 253	-172 193	-798 546
Depreciation of property, plant and equipment and intangible fixed assets		-10 351	-23 322	-89 017
Operating profit/loss		-2 123 020	-1 958 912	-7 810 980
Other interest income and similar profit/loss items		0	8 315	142 041
Interest expense and similar profit/loss items		-294 530	-385 680	-1 455 281
PROFIT/LOSS FOR THE PERIOD		-2 417 550	-2 336 277	-9 124 220
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME				
Other comprehensive income		-	-	-
Total comprehensive income for the period		-2 417 550	-2 336 277	-9 124 220
Attributable to:				
Parent Company shareholders		-2 417 550	-2 336 277	-9 124 220
TOTAL		-2 417 550	-2 336 277	-9 124 220

Parent Company Balance sheet - summary

<i>Amounts in SEK</i>	<i>Note</i>	31/03/2018	31/03/2017	31/12/2017
Assets				
Non-current assets				
Intangible assets		123 277 930	114 289 660	122 214 772
Property, plant and equipment		2 288	78 333	12 639
Financial assets		31 204	31 360	31 204
Shares in subsidiaries		50 000	50 000	50 000
Current assets				
Other current assets		452 640	776 676	442 948
Cash and cash equivalents		2 693 737	14 386 072	2 329 721
Total assets		126 507 799	129 612 101	125 081 284
Equity and liabilities				
Equity		103 836 537	113 042 031	106 254 088
Non-current liabilities		0	14 763 889	0
Current liabilities		22 671 262	1 806 181	18 827 196
Total Equity and liabilities		126 507 799	129 612 101	125 081 284

Accounting policies

This interim report was prepared in accordance with IAS 34 Interim Financial Statements and in accordance with RFR 1 of the Swedish Financial Reporting Board and, for the Parent Company, RFR 2. The same accounting policies and calculation methods are applied as in the last interim report. For a detailed description of the accounting policies applied for the Group and the Parent Company in this interim, see the annual report of 2017.

Notes to the Financial Statements

Note 1 Related parties

The following are considered to be related parties: Subsidiaries included in the Group; members of the Company's board; senior executives in the Group and close family members of such persons.

Nordic Iron Ore's liability amounted to SEK 1 million to Bengtssons Tidnings Aktiebolag as of 31 March 2018 and SEK 1 million to Ludvika Holding AB.

Note 2 Key ratios (Group)

Amounts in SEK	2018	2017	2017
	Jan - Mar	Jan - Mar	Jan - Dec
The Group			
Equity ratio (%)	82,08%	87,21%	85,0%
Earnings per share	-0,02	-0,04	-0,09
Equity per share	0,95	1,03	0,97
Quick ratio (%)	14,07%	841,89%	14,96%
No. of shares	109 636 650	109 636 650	109 636 650
Weighted average no. Of shares before dilution	109 636 650	65 142 963	98 665 604
Weighted average no. Of shares after dilution	109 636 650	65 142 963	98 665 604

Key ratio definitions

Equity/assets ratio:

Equity as a per cent of the balance total.

Earnings per share:

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

Equity per share:

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

Quick ratio:

Current assets excluding stock in relation to current liabilities.