

Q3



Interim Report January – September 2018

Significant events during the third quarter 2018

- A rights issue raises SEK 32.4 million after issue costs.
- The board of directors is extended by one person at an EGM.
- The management team is restructured and extended.
- An application for listing of the shares submitted to Nasdaq First North.
- DFS work continues with inter alia hydrogeology field work.

Third quarter, 1 July – 30 September 2018

- Income amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK – 2.5 million (–2.2)
- Investments in the period July - September totalled SEK 4.6 million (3.6)
- Basic earnings per share were SEK –0.13 (–0.02)

Interim period, 1 January – 30 September 2018

- Income amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK –7.5 million (–7.1)
- Investments in the period July - September totalled SEK 8.3 million (7.6)
- Basic earnings per share were SEK –0.55 (–0.80)
- Cash and cash equivalents on 30 September 2018 amounted to SEK 21.2 million (5.7)

Significant events after the end of the period

- First day of trading for the share was on 1 October.

Key ratios (Group)

<i>Amount in SEK</i>	2018 July -Sep	2017 July -Sep	2018 Jan - Sep	2017 Jan - Sep	2017 Jan - Dec
Equity ratio (%)	91.30%	84.76%	91.30%	84.76%	84.95%
Earnings per share	-0.13	-0.20	-0.55	-0.80	-0.90
Equity per share	7.00	9.90	7.00	9.90	9.70
Quick ratio (%)	368.79%	167.99%	368.79%	167.99%	14.96%
No. of shares	19 909 775	10 963 665	19 909 775	10 963 665	19 909 775

Nordic Iron Ore AB is a mining development company that aims to resume and develop iron ore production at Ludvika Mines in Blötberget and Håksberg and to develop the intermediate Väsman iron 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 from significant mineral resources.

Comments from the Managing Director

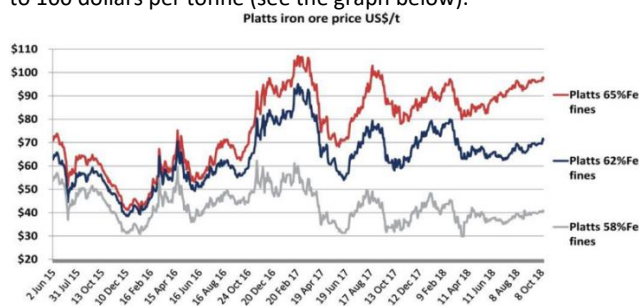
The last few months have been eventful. In June, we conducted a successful preferential rights issue and on the first of October, the stock was listed on NASDAQ First North. In addition, iron ore prices are developing in the right direction.

No one can question the fact that Nordic Iron Ore is developing in the right direction, and as I summarise our position, the future looks bright. Firstly, demand for the ore products we produce is increasing, thus driving up prices – high-quality “fines”.

Secondly, we know that Blötberget contains mineral resources that enable a production of 1.4 million tonnes per year for 12 to 13 years. Thirdly, we have a very substantial advantage in that the infrastructure needed to transport iron ore products cost-efficiently, that is, rail and harbour, are in place. In addition, we already possess the necessary permits for mining Blötberget.

Thanks to these four advantages, I am optimistic about the future of Nordic Iron Ore. Looking to the iron ore market, the price for the standard quality has been moderately stable and the clear market division of high-grade ore and medium-grade ore (Fe 62%) has received increasing attention from analysts and the media.

The world market price for 62% iron ore has exceeded 70 dollars per tonne while the price for 65% ore has risen to closer to 100 dollars per tonne (see the graph below).



This development is good news for NIO as we exclusively focus on the high-grade niche with grades surpassing 65%. The fact that the driving force behind this development is environmental concerns speaks for it not being of a temporary nature.

Third quarter of the year

The company's third quarter was eventful. The issue, which generated MSEK 32.4 after issue costs, was closed in the beginning of July, after which, the stocks were merged on 8 August.

In August, an extraordinary general meeting was held and the Board gained Gösta Bergman as a member. He is a solicitor with experience in the early stages of mining projects and is fully independent of the company and large owners. And with this, the requirements for listing on NASDAQ First North were met and we could submit a formal application.

On the first of September, the management team was reorganised and increased in number. Paul Marsden handed over the CEO title to me, but continues to actively support Nordic Iron Ore within his specialist areas. At the same time, Markus Karlsson was appointed project manager and site manager for the local mining operations. Markus has been involved in the projects for an extended period of time, particularly as an expert in the area of mining and mining-related issues. Personally, I have held the positions of CFO since 2011 and Vice President since 2015. These years have given me insight into the mining industry and an understanding of how important it is to involve experienced employees and advisers, something I think our current team line up lives up to.

In the spring 2019, we will present the results of the feasibility study currently being conducted. The study will be extensive and provide a technical description of the mine development, the basis of design and the associated mine developments costs in the economic analysis. Included in the details will be the selection of equipment, plans for construction, staffing and production.

The positive market situation, the abundance of high-grade ore at Blötberget, that we have logistics in place and that all permits have been obtained and, not least, that we are beginning to see the finish line with regards to the feasibility study, are all factors that make us eager to start building the mine and start operations.

Lennart Eliasson

Managing Director. Nordic Iron Ore AB (publ)

Operations

Significant events during the period

Financing

The issue of "units", consisting of two shares and one warrant, was registered and a reversed split of 1:10 was thereafter conducted. The issue raised SEK 32.4 million after issue costs.

Project development

Work on the completion of the feasibility study continued involving a number of international consultancies under the coordination of Golder. The company's internal organisation supported the work primarily in the form of transfer of data and reports. Field work regarding hydrogeology and ground investigations was also conducted.

Documentation of variations of ground water levels is being performed since the beginning of 2018 in the area of potential influence from the Blötberget mine. The water levels must be measured during a whole year. Further field studies include water sampling in a number of selected wells and drill holes and chemical analysis.

Corporate governance

At an EGM on 22 August the board of directors was complemented with Gösta Bergman, a lawyer and independent from larger shareholders.

As of 1 September, Paul Marsden handed over the position of managing director to Lennart Eliasson, formerly vice president and CFO, and returned to his role as advisor primarily in the areas of markets and product development. Markus Karlsson was appointed project director and site manager.

Share and ownership structure

At the end of the period the share capital amounted to SEK 34 528 214 divided between 19 909 775 shares with a quota value of SEK 1.73 per share. The number of shareholders totalled 9 939.

Financial position

On the balance sheet date, the Group had a liquidity of SEK 21.2 million. The equity/assets ratio was 91.30%. The Group's equity amounted to SEK 139.3 million, corresponding to SEK 7.0 per share.

Investments

During the period January – September investments totalled MSEK 8.3. The entire amount relates to prospecting resources and investigation work for the planned resumption of mining operations in Blötberget.

Employees

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

Financial calendar

Year-end report for the financial year 2018: 22 February 2019
Interim report January -March 2019: 22 May 2019
Annual general meeting: 22 May 2019
Interim report January-June 2019: 22 August 2019
Interim report January-September 2019: 22 November 2019
Year-end report for the financial year 2019: February 2020

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

On 1 October the share was listed on Nasdaq First North.

Annual report and financial reports

The Company's press releases and financial reports are distributed via Cisionwire and are available at www.nordicironore.se.

Operations

Stockholm 22 November 2018

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

Jonas Bengtsson

Gösta Bergman

Michael Mattsson

Tomas Olofsson
Chairman

Lennart Eliasson
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:

Lennart Eliasson
E-mail: Lennart.eliasson@nordicironore.se

Consolidated statement of comprehensive income - summary

Amounts in SEK	Note	2018	2017	2018	2017	2017
		July - Sep	July - Sep	Jan - Sep	Jan - Sep	Jan - Dec
Net revenue		0	0	0	0	0
Other operating income		0	0	0	0	0
Total operating income		0	0	0	0	0
Other external costs		-1 833 320	-1 622 464	-5 327 397	-5 401 988	-6 923 417
Personnel expenses		-473 658	-258 164	-1 301 269	-629 526	-798 546
Depreciation/amortization and impairment of property, plant and equipment and intangible assets		0	-21 647	-12 639	-67 253	-89 017
Operation profit/loss		-2 306 978	-1 902 275	-6 641 305	-6 098 767	-7 810 980
Financial income		0	71 047	0	102 483	142 041
Financial expenses		-146 085	-357 778	-862 244	-1 097 348	-1 455 281
Net financial income/expense		-146 085	-286 731	-862 244	-994 865	-1 313 240
Profit/loss after financial income and expense		-2 453 063	-2 189 006	-7 503 549	-7 093 632	-9 124 220
PROFIT/LOSS FOR THE PERIOD		-2 453 063	-2 189 006	-7 503 549	-7 093 632	-9 124 220
OTHER COMPREHENSIVE INCOME		-	-	-	-	-
Total comprehensive income for the period		-2 453 063	-2 189 006	-7 503 549	-7 093 632	-9 124 220
Attributable to:						
Parent company shareholders		-2 453 063	-2 189 006	-7 503 549	-7 093 632	-9 124 220
TOTAL		-2 453 063	-2 189 006	-7 503 549	-7 093 632	-9 124 220
Number of shares						
Number of shares at year-end		19 909 775	10 963 665	19 909 775	10 963 665	10 963 665
Average no. of shares (before dilution)		18 638 625	10 963 665	13 664 029	9 496 840	9 866 560
Average no. of shares (after dilution)		18 718 528	10 963 665	13 696 517	9 496 840	9 866 560
Earnings per share						
Earnings per share, weighted average before dilution, SEK		-0,13	-0,20	-0,55	-0,80	-0,90
Earnings per share, weighted average after dilution, SEK		-0,13	-0,20	-0,55	-0,80	-0,90

Consolidated statement of financial position - summary

<i>Amounts in SEK</i>	Note	30/09/2018	30/09/2017	31/12/2017
Assets				
Non-current assets				
Intangible assets		130 531 509	120 969 480	122 214 772
Property, plant and equipment		0	34 402	12 639
Financial assets		31 204	31 360	31 204
Current assets				
Other current assets		855 694	1 056 786	442 948
Cash and cash equivalents		21 172 444	5 659 364	2 372 958
Total assets		152 590 851	127 751 392	125 074 521
Equity and liabilities				
Equity		139 311 905	108 277 912	106 247 325
Non-current liabilities		7 305 806	15 475 556	0
Current liabilities		5 973 140	3 997 924	18 827 196
Total Equity and liabilities		152 590 851	127 751 392	125 074 521

Consolidated statement of change in equity

<i>Amounts in SEK</i>	Note	Share capital	Other contributed capital	Profit/loss brought forward, incl. profit/loss for the period	Total equity
Opening equity 01/01/2018		19 013 563	181 208 514	-93 974 752	106 247 325
Comprehensive income for the period				-7 503 549	-7 503 549
New share issued		15 514 650	29 106 909		44 621 559
Transaction costs			-4 053 430		-4 053 430
CLOSING EQUITY 30/9/2018		34 528 213	206 261 993	-101 478 301	139 311 905
Opening equity 01/01/2017		6 337 854	176 610 003	-84 850 532	98 097 325
Comprehensive income for the period				-7 093 632	-7 093 632
New share issued		12 675 709	5 597 066		18 272 775
Transaction costs			-998 556		-998 556
CLOSING EQUITY 30/9/2017		19 013 563	181 208 513	-91 944 164	108 277 912
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

<i>Amounts in SEK</i>	Note	2018	2017	2018	2017	2017
		July - Sep	July - Sep	Jan - Sep	Jan - Sep	Jan - Dec
Operating activities						
Profit/loss for the period		-2 453 063	-2 189 006	-7 503 549	-7 093 632	-9 124 220
Adjustments for items not included in the cash flow		0	21 648	12 639	67 253	89 172
Cash flow from operating activities before changes in working capital		-2 453 063	-2 167 358	-7 490 910	-7 026 379	-9 035 048
Cash flow from changes in working capital						
Change in working capital		1 190 619	-133 936	-412 746	-380 933	232 907
Change in operating liabilities		-4 230 567	920 248	-2 240 977	2 426 195	1 779 913
Cash flow from operating activities		-5 493 011	-1 381 046	-10 144 633	-4 981 117	-7 022 228
Cash flow from investment activities		-4 608 504	-3 581 092	-8 316 737	-7 603 721	-8 849 013
Cash flow from financing activities		30 260 856	0	37 260 856	17 274 223	17 274 220
Cash flow for the period		20 159 341	-4 962 138	18 799 486	4 689 385	1 402 979
Opening cash and cash equivalents		1 013 103	10 621 502	2 372 958	969 979	969 979
CLOSING CASH AND CASH EQUIVALENTS		21 172 444	5 659 364	21 172 444	5 659 364	2 372 958

Parent Company Income statement - summary

Amounts in SEK	Note	2018	2017	2018	2017	2017
		July - Sep	July - Sep	Jan - Sep	Jan - Sep	Jan - Dec
Net revenue		0	0	0	0	0
Other operating income		0	0	0	0	0
Total operating income		0	0	0	0	0
Other external costs		-1 833 320	-1 622 464	-5 327 397	-5 401 988	-6 923 417
Personnel expenses		-473 658	-258 164	-1 301 269	-629 526	-798 546
Depreciation of property, plant and equipment and intangible fixed assets		0	-21 647	-12 639	-67 253	-89 017
Operating profit/loss		-2 306 978	-1 902 275	-6 641 305	-6 098 767	-7 810 980
Other interest income and similar profit/loss items		0	71 047	0	102 483	142 041
Interest expense and similar profit/loss items		-146 085	-357 778	-862 244	-1 097 348	-1 455 281
PROFIT/LOSS FOR THE PERIOD		-2 453 063	-2 189 006	-7 503 549	-7 093 632	-9 124 220
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME						
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-2 453 063	-2 189 006	-7 503 549	-7 093 632	-9 124 220
Attributable to:						
Parent Company shareholders		-2 453 063	-2 189 006	-7 503 549	-7 093 632	-9 124 220
TOTAL		-2 453 063	-2 189 006	-7 503 549	-7 093 632	-9 124 220

Parent Company Balance sheet - summary

<i>Amounts in SEK</i>	Note	30/09/2018	30/09/2017	31/12/2017
Assets				
Non-current assets				
Intangible assets		130 531 509	120 969 480	122 214 772
Property, plant and equipment		0	34 402	12 639
Financial assets		31 204	31 360	31 204
Shares in subsidiaries		50 000	50 000	50 000
Currens assets				
Other current assets		855 694	1 056 786	442 948
Cash and cash equivalents		21 129 206	5 616 126	2 329 721
Total assets		152 597 613	127 758 154	125 081 284
Equity and liabilities				
Equity		139 318 667	108 284 676	106 254 088
Non-current liabilities		7 305 806	15 475 556	0
Current liabilities		5 973 140	3 997 922	18 827 196
Total Equity and liabilities		152 597 613	127 758 154	125 081 284

Accounting policies

The Group

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 Key ratios (Group)

<i>Amount in SEK</i>	2018 July -Sep	2017 July -Sep	2018 Jan - Sep	2017 Jan - Sep	2017 Jan - Dec
Equity ratio (%)	91.30%	84.76%	91.30%	84.76%	84.95%
Earnings per share	-0.13	-0.20	-0.55	-0.80	-0.90
Equity per share	7.00	9.90	7.00	9.90	9.70
Quick ratio (%)	368.79%	167.99%	368.79%	167.99%	14.96%
No. of shares	19 909 775	10 963 665	19 909 775	10 963 665	10 963 665
Weighted average no. of shares before dilution	18 638 625	10 963 665	13 664 029	9 496 840	9 866 560
Weighted average no. of shares after dilution	18 718 528	10 963 665	13 696 517	9 496 840	9 866 560

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.

This press release contains information that Nordic Iron Ore AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was publicised by a press release on the 22 November 2018 at 16.00.

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