

NORDIC MINES AB (publ)

Interim report second quarter 2017

Second quarter of 2017

- Revenues were SEK 0.0 million (SEK 0.0 million) as the Laiva Mine is on care and maintenance and not in production.
- The Company reported an operating loss of SEK -4.2 million (SEK -8.4 million 2nd quarter 2016).
- Loss after tax for the period amounted to SEK -4.5 million (SEK -8.4 million 2nd quarter 2016), corresponding to SEK -0.01. (SEK -0.01) per share.
- Cash and cash equivalents were SEK 4.8 million (SEK 2.9 million 31 December 2016) at the end of the period. Thus, the Company currently does not have sufficient funds to cover its needs for the next three months starting from the date of this report.
- Equity was SEK 478.2 million (SEK 489.7 million 31 December 2016) at the end of the period.
- Annual general meeting decided on a rights issue of SEK 69,1 million.

January to June, 2017

- Revenues were SEK 0.0 million (SEK 0.0 million) as the Laiva Mine is on care and maintenance and not in production.
- The Company reported an operating loss of SEK -15.5 million (SEK -21.8 million 2nd quarter 2016).
- Loss after tax for the period amounted to SEK -16.5 million (SEK -20.4 million 2nd quarter 2016), corresponding to SEK -0.03. (SEK -0.04) per share.

Significant events after June 30, 2017

- The board has initiated contacts with potential partners for the purpose of carrying out the rights issue.
- Nasdaq has in its communication with the company had issues with the way the company handles certain tasks and asked the company for an explanation on how it perceives rectifying issues such as management and communication. The company has answered the questions from Nasdaq. Although answer has been given, Nasdaq put a trade stop on Nordic Mines shares from July 7.
- The company has per August 21 given a new reply to Nasdaq's questions
- The company has summoned to extraordinary general meeting by September 8 in order to for the meeting to decide upon two alternative deals, one presented by Firesteel and the other by the shareholder Lau Su. Documentation has already been published as press release.

Board of Directors statement

The company has continued difficulties in handling significant funding challenges. Of course, it impedes Opportunities for operational activities at the Laiva mine. As previously announced, the AGM has decided New share issue of just over SEK 69 million. In connection with the extraordinary meeting of September 8, the shareholders will evaluate two offers on financing and development of the company. An offer to enter a business agreement with tFiresteel Resources Inc., listed on the Canadian Stock Exchange, or a business solution that will be presented by the shareholder Lau Su Holding AB.

The company seeks to broaden the board as well as strengthen resources for management including appointing managing director.

Results, second quarter 2017

Net sales were SEK 0.0 million (SEK 0.0 million) during the first quarter of 2017 as the Laiva mine remains on care and maintenance and is not in production.

Production costs amounted to SEK -3.1 million (SEK -3.6 million 2nd quarter 2016) during the first quarter of 2017. Even though there has not been any production during the quarter, the Company has maintained some of the organisation around the Laiva mine, for example for maintenance work and environmental supervision. The mine and the plant also have a number of fixed costs, for example balancing the water levels in the mining area, which remain even though the mine is not in production. Depreciation, amortization and impairment losses for the first quarter of 2017 were SEK -2.9 million (SEK -5.8 million 2nd quarter 2016).

Sales and administration costs amounted to SEK -4.0 million (SEK -6.4 million 2nd quarter 2016). The Company reported an operating result of SEK -4.2 million (SEK -8.5 million 2nd quarter 2016). Net financial items were SEK -0.3 million (SEK -0.9 million 2nd quarter 2016). The Company's income tax for the period has an impact on profit of SEK 0.0 million (SEK 0.0 million 2nd quarter 2016). Loss for the period after tax amounted to SEK -4.8 million (SEK -7.5 million 2nd quarter 2016).

Cash flow and financial position

Cash flow from operating activities including changes in working capital for the first quarter of 2017 amounted to SEK -0.3 million (SEK -7.4 million Q1 2016). Net cash flow from the financing operations amounted to SEK 3.5 million (SEK -0.2 million Q1 2016) during the same period. Cash and cash equivalents at the end of the period amounted to SEK 4.8 million compared to SEK 2.9 million as of 31 December 2016. Therefore the Company does not currently have sufficient funds to cover its needs for the next three months at the date of this report. If external funds are not provided, it is the assessment of the Board that there is a high risk that the Company will be facing a liquidity deficit. For more information please refer to *Liquidity Risks*.

At the end of the period, the Group's equity was SEK 473.2 million, compared to SEK 489.7 million as of 31 December 2016. For risks related to the Company's equity, please refer to the *Going Concern Principle*. The equity/assets ratio was 88.8 per cent compared to 88.7 per cent as of 31 December 2016. Net debt was SEK 15.5 million compared to SEK 8.5 million as of 31 December 2016.

Investments

Since the Company is currently not conducting any mining operations at the Laiva mine, only smaller investments have been made. Net investments during the quarter amounted to SEK 0.0 million, compared to SEK 0.0 million during the same quarter of 2016.

Segment reporting

As per January 2013, the Group stopped using a segment division as there has only been one productive mine in Finland within the Group, and exploration work is currently limited to an administrative scope due to cost savings. The consolidated income statements and balance sheets have been reviewed and valued thereafter.

Employees

During the first quarter of 2017, the average number of employees was 35. No serious accidents were reported during the period.

Exploration

Due to cost savings, Nordic Mine's exploration work was more or less suspended at the beginning of 2013. In total, capitalised exploration expenses as of 31 March 2017 amounted to SEK 64.6 million.

Mineral resource and mineral reserve, 1 January 2015, prepared by SRK Consulting UK Ltd

The tables below shows the most recent update to the Mineral Resource estimate that includes ore sorting that reduces the amount of waste rock and the previous Mineral Resource estimate without sorting

Laiva Mineral Resource – with sorting (16 May 2016)

Category	Tonnage (t)	Au Grade (g/t)	Gold (kg)	Gold (tr.oz)
Measured	-	-	-	-
Indicated	24 317 397	1,13	27 535	885 000
Measured + indicated	24 317 397	1,13	27 535	885 000
Inferred	4 374 277	1,64	7 187	231 000

The mineral resource is reported at a cut off of 0.3 g/t.

The calculation of the mineral resource was based on an assumed five-year gold price of €1,225 per tr.oz (USD 1,400 per tr.oz).

Laiva Mineral Resource– without sorting (1 January 2015)

Category	Tonnage (t)	Au Grade (g/t)	Gold (kg)	Gold (tr.oz)
Measured	-	-	-	-
Indicated	15 970 000	1,52	24 300	780 000
Measured + indicated	15 970 000	1,52	24 300	780 000
Inferred	3 220 000	2,08	6 700	215 000

The mineral resource is reported at a cut-off grade of 0.6 g/t.

The model for the calculation of the mineral resource is limited by an assumed gold price of €1,300 per troy ounce (USD 1,510 per troy ounce).

The reported mineral resource includes the mineral reserve shown below.

Laiva Mineral Reserve – Without sorting (1 januari 2015)

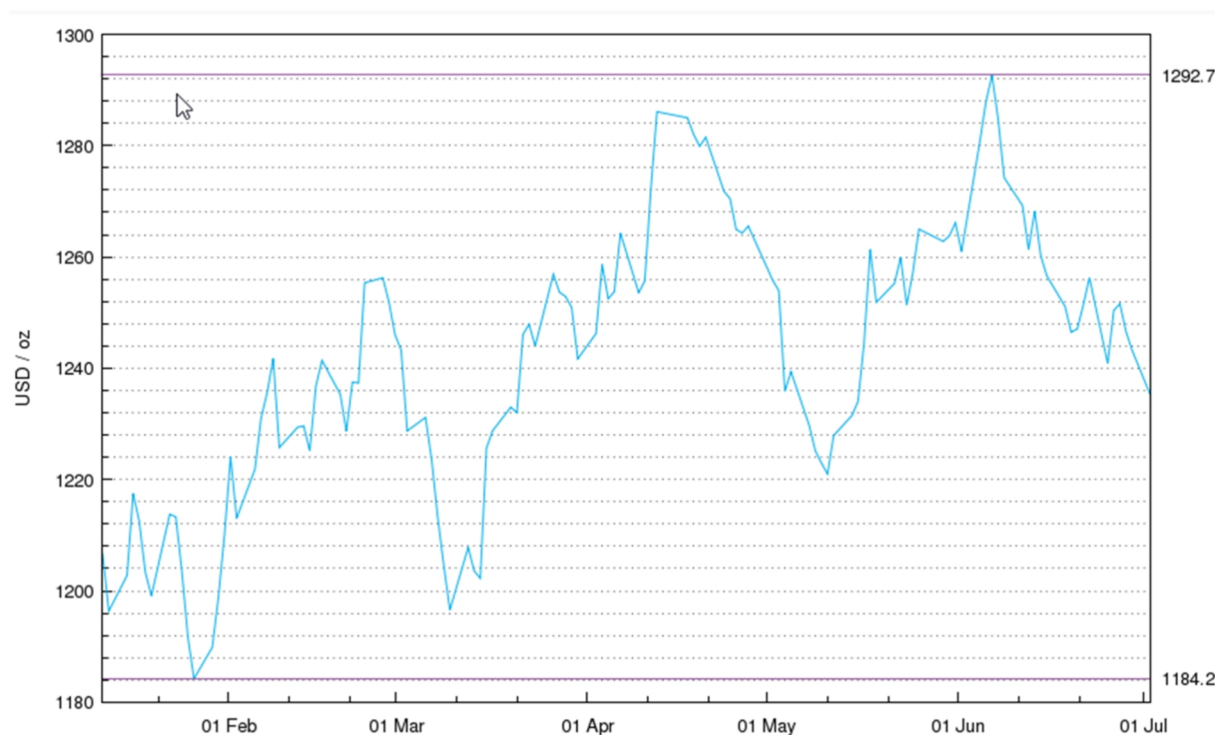
Category	Tonnage (t)	Au Grade (g/t)	Gold (kg)	Gold (tr.oz)
Proved	-	-	-	-
Probable	9 367 000	1,19	11 200	360 000
Proved + probable	9 367 000	1,19	11 200	360 000

The mineral reserve is reported at a cut-off grade of 0.6 g/t.

The calculation of the mineral reserve was based on an assumed five-year gold price of €1,020 per troy ounce (USD 1,184 per troy ounce).

The gold market and price of gold

According to LBMA (London Bullion Market Association) gold fixing, the price of gold was listed at the beginning of the quarter per troy oz at USD 1,159.10 and EUR 1,100.03, and at the end of the quarter at USD 1,241.70 and EUR 1,156.58.



The Nordic Mines share

The Nordic Mines share has been traded on the Nasdaq Stockholm's Small Cap list since July 2008. The ticker symbol for the share is NOMI and the ISIN code is SE0007491105.



Shareholders

As per 31 March 2017, the number of shareholders in Nordic Mines amounted to approximately 11,000. The ten largest shareholders in the Company are listed in the table below.

Shareholders as per 30 Juni 2017	Antal aktier	Innehav %	No of shares	Percentage
EUROCLEAR BANK S.A/N.V, W8-IMY	123 024 503	21,75%		
CBSG-PHILLIP SEC P/L-CL(INSTI NDVP)	47 754 771	8,44%		
STATE STREET BANK & TRUST COM., BOSTON	24 326 540	4,30%		
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	18 857 366	3,33%		
SWEDBANK FÖRSÄKRING	7 534 286	1,33%		
NORDNET PENSIONS FÖRSÄKRING AB	5 438 996	0,96%		
SALA KEBAB AB	5 000 000	0,88%		
HILMAND, BIRTE	4 550 000	0,80%		
HANDELSBANKEN LIV	4 438 225	0,78%		
MENDRIS, NICO	3 755 000	0,66%		
ÖVRIGA 321 043 069 56,75%	321 043 069	56,75%		
TOTAL	565 722 756	100,00%		

Share capital

As per 31 March 2017, the market capitalisation amounted to SEK 158.4 million divided between 565,722,756 shares with a quoted value of SEK 0.28 each.

Equity amounted to SEK 478.0 million at 31 March 2017, compared to SEK 489.7 million at 31 December 2016.

Significant risks and uncertainties

All enterprise is associated with a certain degree of risk. Nordic Mines' operations must be assessed based on the risk, cost and difficulty that companies in the mining and exploration business often face. The risks in the majority of cases are such that the Company cannot protect itself from them.

The risk faced by mining and exploration companies is mainly associated with the outcome of the exploration itself, the production and the market price on the metal markets, but there is also risk associated with licensing issues related to exploration, processing and the environment.

The Group is also exposed to a number of financial risks: liquidity risk, credit risk, gold price risk and currency risk. The Board and Management attempt to address these risks by identifying, evaluating and mitigating the risks listed above where appropriate.

A more detailed analysis is available in the 2016 Annual Report, which is available on the Company's website, www.nordicmines.se.

Liquidity risk

The Company currently does not have sufficient funds to cover its needs for the next three months at the date of this report. Cash and cash equivalents totalled SEK 1.3 million at the end of the first quarter of 2017 and the Company basically does not have any income since production as the plant was closed, albeit there have been some modest timber sales in the fourth quarter. The Company is dependent on external capital contributions for continued operations.

The Company does not currently have the funds to restart operations at the Laiva mine. In order to fund the restart of the Laiva mine, a capital contribution in addition to existing cash and cash equivalents would be required. This capital contribution is intended to fund working capital related to the restart, initial investments and a liquidity reserve for unforeseen costs and administration. This funding is assumed to be a combination of debt financing and additional equity contributions.

If the Company fails to raise additional capital, there is a risk that a liquidity deficit will eventually occur. Given such a development, it is a risk that the Finnish composition plan would default, thus leading to a new reorganisation, bankruptcy or other winding down of the Company.

Composition plan Nordic Mines Oy

On 31 July 2014, the Uleåborg District Court decided to adopt the composition plan proposal filed with the court by the administrator for Nordic Mines' Finnish subsidiary. The composition plan includes conditions that allow the Company's creditors and the composition plan supervisor, attorney Hannu Ylönen from the Krogerus law firm, to apply for the composition to be revoked under certain conditions. Ground for termination include those related to the Group companies not fulfilling their payment obligations under the composition plan.

If Nordic Mines Oy breaches the composition plan, there is a risk that the Finnish composition plan will fail, which could lead to a new reorganisation, bankruptcy or other winding down of the Company. In the event the Finnish composition plan defaults, the relevant creditors' claims return to Nordic Mines Oy, at their full amount, and in the event of bankruptcy all shareholders will lose the entire amount of their previously invested share capital.

A more detailed analysis on the Composition plan in Nordic Mines Oy is available in the prospectus from 2015, which is available on the Company's website, www.nordicmines.se.

Gold price risk

Sales commenced in January 2012 and essentially have consisted of a single product, doré bars, containing gold, silver and copper. A decline in the price of gold could have a negative impact on the Group's future profit as well as a negative impact on the Company's possibilities for restarting operations at the Laiva mine.

Currency risk

Gold is quoted in USD, the majority of the costs occur in EUR and the Group is consolidated in SEK. Accordingly, the Company is directly dependent on exchange rates for these currencies. If USD strengthens against EUR, this has a positive effect. If EUR strengthens against SEK, this has a positive effect on sales, but a negative effect on costs.

Employees

Nordic Mines currently has a small organisation and is dependent on a number of key individuals. A limited expected lifetime and to date weak profitability for the Laiva mine can result in restricted opportunities to recruit key personnel once the mine restarts its operations.

Accounting principles

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU and recommendation RFR 1 issued by the Swedish Financial Reporting Board on Supplementary Accounting Rules for Groups, which specifies the additions to the IFRS disclosures that are required as stipulated in the Annual Accounts Act. This financial report was prepared in accordance with IAS 34, Interim Financial Reporting. The Parent Company's financial statements are prepared in accordance with the Annual Accounts Act and RFR 2, Accounting for Legal Entities. The Group uses the same accounting principles as those described in the 2015 Annual Report. No new IFRS additions or regulations that affect the Group have entered into force.

Upcoming informational meetings and announcements

Interim report Q3 21 November 2017

Interim report Q4 27 February 2018

The Board of Directors and the Chief Executive Officer hereby confirm that this interim report gives a true and fair view of the Company's and the Group's operations, financial position and results of operations, and describes significant risks and uncertainties faced by the Company and the companies in the Group. The report for January – March 2017 has not been reviewed by the Company's auditors.

Stockholm, 22 augusti 2017
NORDIC MINES AB (publ)

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Styrelseordförande

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Note

Nordic Mines is required to publish this information pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was published on 22 August 2017, at 13:00 CET.

For further information, please contact:

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Definitions according to SveMin

A **Mineral Resource** is a concentration of occurrences of materials in or on the earth's crust in such form, quality and quantity that is of interest financially and for which financially profitable extraction is deemed possible. The location, quantity, grade, continuity and other geological characteristics of a mineral resource are measured, estimated or interpreted based on specific geological facts, tests and knowledge. On the basis of its geological certainty, a mineral resource is classified into the following categories: inferred mineral resource, indicated mineral resource and measured mineral resource.

An **Inferred Mineral Resource** is the part of a mineral resource for which the tonnage, density of occurrences, form, physical characteristics, grade and mineral content can be estimated with a low level of confidence. This is inferred from geological evidence, tests and assumed but not verified geological or grade continuity. It is based on information gathered using appropriate techniques through exploration and testing of, for example, outcrops, trenches, pits, workings and drill holes. The information is limited or of uncertain quality and reliability.

An **Indicated Mineral Resource** is the part of a mineral resource for which the tonnage, density of occurrences, form, physical characteristics, grade and mineral content can be assumed with a reasonable level of confidence. It is based on information gathered using appropriate techniques through exploration and testing of, for example, outcrops, trenches, pits, workings and drill holes. However, this information is too inconsistent or inappropriately distributed to guarantee geological or grade continuity.

A **Measured Mineral Resource** is the part of a mineral resource for which the tonnage, density of occurrences, form, physical characteristics, grade and mineral content can be assumed with a high level of confidence. It is based on information gathered using appropriate techniques through detailed and reliable exploration and testing of, for example, outcrops, trenches, pits, workings and drill holes. This information is sufficiently consistent to prove geological and/or grade continuity.

A **Mineral Reserve** is the part of a measured or indicated mineral resource that is deemed to be economically feasible for extraction. This includes diluting material and losses which may occur when the material is mined. Appropriate assessments and studies have been conducted and modified taking into consideration realistic assumptions related to mining, metallurgical, economic, marketing, legal, environmental, social and political factors. These assessments show on the reporting date that extraction can be reasonably justified. On the basis of their geological certainty, mineral reserves are classified into the following categories: probable mineral reserve and proven mineral reserve.

When using the term "mineral reserve", there is an expectation that studies have been conducted at the Pre-Feasibility level as a minimum, including a mining plan that is technically appropriate and economically viable.

A **Probable Mineral Reserve** is the part of an indicated or under some circumstances measured mineral resource for which extraction is economically viable. This includes diluting material and losses which occur when the material is mined. Studies at a minimum of the Pre-Feasibility level have been conducted and modified to take into consideration mining, metallurgical, economic, marketing, legal, environmental, social and political factors. These assessments show on the reporting date that extraction can be reasonably justified.

A **Proven Mineral Reserve** is the part of a measured mineral resource for which extraction is deemed to be economically viable. This includes diluting material and losses which occur when the material is mined. Studies at a minimum of the Pre-Feasibility level have been conducted and modified to take into consideration mining, metallurgical, economic, marketing, legal, environmental, social and political factors. These assessments show on the reporting date that extraction is justified.

Consolidated Statement of Comprehensive Income

SEK 000	Note	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Sales revenues		3	0	296	0	0
Cost of goods sold		-5,937	-9,421	-13,156	-18,348	-31,982
<i>of which production costs</i>		-3,050	-3,632	-7,175	-8,237	-16,844
<i>of which depreciation, amortization and impairment</i>		-2,886	-5,789	-5,981	-10,111	-15,138
Gross income		-5,934	-9,421	-12,860	-18,348	-31,982
Selling and administrative expenses		-4,001	-6,384	-9,938	-13,234	-24,460
Other operating income	1	7,827	8,962	13,277	13,424	31,730
Other operating expenses	1	-2,099	-1,615	-5,944	-3,610	-12,496
Operating income		-4,207	-8,458	-15,465	-21,768	-37,208
Financial income		1	1	1	1	253
Financial expenses		-287	38	-779	-100	-293
Income after financial items		-4,493	-8,419	-16,243	-21,867	-37,248
Income tax		0	0	0	0	-6
Net income		-4,493	-8,419	-16,243	-21,867	-37,254
Other comprehensive income						
Exchange rate differences for the period	2	-292	902	-217	1,422	2,028
Total comprehensive income net of tax for the period		-292	902	-217	1,422	2,028
Total comprehensive income for the period		-4,785	-7,517	-16,460	-20,445	-35,226
Net income attributable to: equity holders of the parent company		-4,493	-8,419	-16,243	-21,867	-37,254
		-4,493	-8,419	-16,243	-21,867	-37,254
Total comprehensive income attributable to: equity holders of the parent company		-4,785	-7,517	-16,460	-20,445	-35,226
		-4,785	-7,517	-16,460	-20,445	-35,226
Average number of shares before dilution, thousands		565,723	565,723	565,723	565,723	565,723
Average number of shares after dilution, thousands		565,723	565,723	565,723	565,723	565,723
Earnings per share before dilution, SEK		-0.01	-0.01	-0.03	-0.04	-0.07
Earnings per share after dilution, SEK		-0.01	-0.01	-0.03	-0.04	-0.07
Comprehensive income per share before dilution, SEK		-0.01	-0.01	-0.03	-0.04	-0.06
Comprehensive income per share after dilution, SEK		-0.01	-0.01	-0.03	-0.04	-0.06

Consolidated Statement of Comprehensive Income, quarterly

Belopp i Tkr	Note	Q 1 2016	Q 2 2016	Q 3 2016	Q 4 2016	Q1 2017	Q2 2017
Sales revenues		0	0	0	0	293	3
Cost of goods sold		-8,927	-9,421	-6,402	-7,232	-7,219	-5,937
<i>of which production costs</i>		-4,605	-3,632	-4,836	-3,771	-4,125	-3,050
<i>of which depreciation, amortization and impairment</i>		-4,322	-5,789	-1,567	-3,460	-3,095	-2,886
Gross income		-8,927	-9,421	-6,402	-7,232	-6,926	-5,934
Selling and administrative expenses		-6,850	-6,384	-6,588	-4,638	-5,937	-4,001
Other operating income	1	4,462	8,962	11,272	7,034	5,450	7,827
Other operating expenses	1	-1,995	-1,615	-1,393	-7,493	-3,845	-2,099
Operating income		-13,310	-8,458	-3,111	-12,329	-11,258	-4,207
Financial income		0	1	249	3	0	1
Financial expenses		-138	38	-30	-163	-492	-287
Income after financial items		-13,448	-8,419	-2,892	-12,489	-11,750	-4,493
Income tax		0	0	0	-6		
Net income		-13,448	-8,419	-2,892	-12,495	-11,750	-4,493
Other comprehensive income							
Exchange rate differences for the period	2	520	902	379	227	75	-292
Total comprehensive income net of tax for the period		520	902	379	227	75	-292
Total comprehensive income for the period		-12,928	-7,517	-2,513	-12,268	-11,675	-4,785
Net income attributable to:							
equity holders of the parent company		-13,448	-8,419	-2,892	-12,495	-11,750	-4,493
		-13,448	-8,419	-2,892	-12,495	-11,750	-4,493
Total comprehensive income attributable to:							
equity holders of the parent company		-12,928	-7,517	-2,513	-12,268	-11,675	-4,785
		-12,928	-7,517	-2,513	-12,268	-11,675	-4,785
Average number of shares before dilution, thousands		565,723	565,723	565,723	565,723	565,723	565,723
Average number of shares after dilution, thousands		565,723	565,723	565,723	565,723	565,723	565,723
Earnings per share before dilution, SEK		-0.02	-0.01	-0.01	-0.02	-0.02	-0.01
Earnings per share after dilution, SEK		-0.02	-0.01	-0.01	-0.02	-0.02	-0.01
Comprehensive income per share before dilution, SEK		-0.02	-0.01	0.00	-0.02	-0.02	-0.01
Comprehensive income per share after dilution, SEK		-0.02	-0.01	0.00	-0.02	-0.02	-0.01

* In September 2015 Nordic Mines implemented the consolidation of shares (reverse split) on a 1:100 basis. Historical numbers has been converted as well.

Other information

	Q 1 2016	Q 2 2016	Q 3 2016	Q 4 2016	Q1 2017	Q2 2017
Throughput, ore milled (ton)	0	0	0	0	0	0
Gold grade, gram per ton	N/A	N/A	N/A	N/A	N/A	N/A
Availability/hours capacity utilization (%)	N/A	N/A	N/A	N/A	N/A	N/A
Gold recovery in plant (%)	N/A	N/A	N/A	N/A	N/A	N/A
Gold production (kg)	0	0	0	0	0	0
Gold production (tr oz)	0	0	0	0	0	0
Gold sold/delivered (kg)	0	0	0	0	0	0
Gold sold/delivered (tr oz)	0	0	0	0	0	0
Cash cost (USD/oz)	N/A	N/A	N/A	N/A	N/A	N/A
Cost per ore milled, ton (EUR)	N/A	N/A	N/A	N/A	N/A	N/A
Cost per ore milled, ton (SEK)	N/A	N/A	N/A	N/A	N/A	N/A
LTIFR, including contractors (accidents per 1 million working hours)	0	0	0	0	0	0
USD/SEK, average rate	8.45	8.21	8.52	9.21	8.93	8.80
EUR/SEK, average rate	9.32	9.27	9.50	9.70	9.51	9.69
EUR/SEK, closing rate	9.24	9.42	9.63	9.57	9.55	9.67

Consolidated Statement of Financial Position

SEK 000	Note	31 Mar 2016	30 Jun 2016	30 Sep 2016	31 Dec 2016	31 Mar 2017	30 Jun 2017
ASSETS							
Non-current assets							
Intangible assets	3	63,482	64,123	64,925	64,684	64,608	65,079
Property, plant and equipment	4	421,972	421,590	426,844	421,438	416,953	417,770
Financial assets		22,010	22,422	22,936	22,781	22,733	23,035
Total non-current assets		507,464	508,135	514,705	508,903	504,294	505,884
Current assets							
Inventories and work in progress	5	34,885	35,537	35,990	35,233	35,157	35,625
Current receivables		5,800	6,016	4,776	5,312	6,287	4,954
Cash and cash equivalents		14,819	6,735	3,473	2,881	1,321	4,776
Total current assets		55,504	48,288	44,239	43,426	42,765	45,355
TOTAL ASSETS		562,968	556,423	558,944	552,329	547,059	551,239
EQUITY AND LIABILITIES							
Equity		511,963	504,446	501,932	489,665	477,990	473,205
Non-current liabilities							
Provisions		26,431	26,925	27,543	27,357	27,299	27,662
Other liabilities		15,601	15,893	6,668	6,623	6,609	5,022
Total non-current liabilities		42,032	42,818	34,211	33,980	33,908	32,684
Current liabilities							
Accounts payable		5,307	6,472	15,453	13,750	15,452	21,006
Borrowings		528	0	4,309	11,355	15,187	20,242
Other liabilities		367	347	644	578	2,067	1,548
Accrued expenses and prepaid income		2,771	2,340	2,395	3,001	2,455	2,554
Total current liabilities		8,973	9,159	22,801	28,684	35,161	45,350
TOTAL EQUITY AND LIABILITIES		562,968	556,423	558,944	552,329	547,059	551,239

Consolidated Statement of Changes in Equity

SEK 000	Equity	Other capital	Reserves	Retained earnings	Total equity
Opening balance at January 1, 2016	249,707	1,138,281	-42,429	-820,668	524,891
Comprehensive income					
Net income				-21,867	-21,867
Other result for the period			1,422		1,422
Total comprehensive income for the period			1,422	-21,867	-20,445
Total equity at June 30, 2016	249,707	1,138,281	-41,007	-842,535	504,446
Opening balance at January 1, 2017	249,707	1,138,281	-40,401	-857,922	489,665
Comprehensive income					
Net income				-16,243	-16,243
Other result for the period			-217		-217
Total comprehensive income for the period			-217	-16,243	-16,460
Total equity at June 30, 2017	249,707	1,138,281	-40,618	-874,165	473,205

Consolidated Statement of Cash Flows

SEK 000	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Operating cash flow	-4,207	-8,458	-15,465	-21,768	-37,208
Interest paid	-287	38	-779	-100	-293
Interest received	1	1	1	1	253
<u>Adjustments for items not included in cash flow:</u>					
Depreciations and write-offs	2,902	3,829	6,072	8,502	15,741
Provisions	363	494	305	721	1,153
Others	-4,517	-3,168	-3,742	-5,566	-12,478
Cash flow after operating activities before changes in working capital	-5,745	-7,264	-13,608	-18,210	-32,832
Cash flow from changes in working capital					
Changes in inventories and work in progress	-468	-652	-392	-951	-647
Changes in current receivables	1,333	-216	358	388	1,092
Changes in accounts payable	5,554	1,165	7,256	-2,936	4,342
Changes in current liabilities	-420	-451	523	-2,490	-1,598
Cash flow from operating activities	254	-7,418	-5,863	-24,199	-29,643
Investing activities					
Acquisition of fixed assets	9	-278	703	-807	-1,168
Recovery/ acquisition of other fixed assets	-302	-412	-254	-601	-960
Cash flow from investing activities	-293	-690	449	-1,408	-2,128
Financing activities					
Rights issue					
Amortization and loans	3,468	-236	7,286	-636	1,449
Cash flow from financing activities	3,468	-236	7,286	-636	1,449
Changes in cash and cash equivalents	3,429	-8,344	1,872	-26,243	-30,322
Cash and cash equivalents in the beginning of the period	1,321	14,819	2,881	32,602	32,602
Exchange rate change in cash and cash equivalents	26	260	23	376	601
Cash and cash equivalents in the end of the period	4,776	6,735	4,776	6,735	2,881

Consolidated Statement of Cash Flows, quarterly

SEK 000	Q 1 2016	Q 2 2016	Q 3 2016	Q 4 2016	Q 1 2017	Q 2 2017
Operating cash flow	-13,310	-8,458	-3,111	-12,329	-11,258	-4,207
Interest paid	-138	38	-30	-163	-492	-287
Interest received	0	1	249	3	0	1
<u>Adjustments for items not included in cash flow:</u>						
Depreciations and write-offs	4,673	3,829	3,700	3,539	3,170	2,902
Provisions	227	494	618	-186	-58	363
Others	-2,398	-3,168	-9,333	2,421	775	-4,517
Cash flow after operating activities before changes in working capital	-10,946	-7,264	-7,907	-6,715	-7,863	-5,745
Cash flow from changes in working capital						
Changes in inventories and work in progress	-299	-652	-453	757	76	-468
Changes in current receivables	604	-216	1,240	-536	-975	1,333
Changes in accounts payable	-4,101	1,165	8,981	-1,703	1,702	5,554
Changes in current liabilities	-2,039	-451	352	540	943	-420
Cash flow from operating activities	-16,781	-7,418	2,213	-7,657	-6,117	254
Investing activities						
Acquisition/sale of fixed assets	-529	-278	-369	8	694	9
Recovery/ acquisition of other fixed assets	-189	-412	-514	155	48	-302
Cash flow from investing activities	-718	-690	-883	163	742	-293
Financing activities						
Rights issue	0	0	0	0	0	
Amortization and loans	-400	-236	-4,916	7,001	3,818	3,468
Cash flow from financing activities	-400	-236	-4,916	7,001	3,818	3,468
Changes in cash and cash equivalents	-17,899	-8,344	-3,586	-493	-1,557	3,429
Cash and cash equivalents in the beginning of the period	32,602	14,819	6,735	3,473	2,881	1,321
Exchange rate change in cash and cash equivalents	116	260	324	-99	-3	26
Cash and cash equivalents in the end of the period	14,819	6,735	3,473	2,881	1,321	4,776

Consolidated Key Ratios

	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Investments in plant, SEK 000	-694	278	-703	807	1,168
EBITDA SEK 000	-8,088	-4,629	-9,393	-13,266	-21,467
Income after financial items, SEK 000	-11,750	-8,419	-16,243	-21,867	-37,248
Return on total assets, %	Neg	Neg	Neg	Neg	Neg
Return on equity, %	Neg	Neg	Neg	Neg	Neg
Equity, SEK 000	477,990	504,446	473,205	504,446	489,665
Total assets, SEK 000	547,059	556,423	551,239	1,119,391	552,329
Net debt, SEK 000	13,866	-6,735	15,466	-21,026	8,474
Equity/assets ratio, %	87.4	90.7	85.8	90.7	88.7
Average number of employees	35	42.0	35	44	39
Number of employees at the end of the period	34	38.0	34	38	36
Equity per share after dilution, SEK	0.84	0.89	0.84	1.80	0.87
Number of shares, thousands	565,723	565,723	565,723	565,723	565,723
Number of shares after dilution (at the end of the period), thousands	565,723	565,723	565,723	565,723	565,723
Number of shares after dilution (average), thousand	565,723	565,723	565,723	565,723	565,723
Cash flow per share, SEK	0.00	-0.01	0.00	-0.05	-0.05

Consolidated Quarterly Key Ratios

	Q 1 2016	Q 2 2016	Q 3 2016	Q4 2016	Q1 2017	Q2 2017
Investments in plant, SEK 000	529	278	369	-8	-694	-9
EBITDA SEK 000	-8,637	-4,629	589	-8,790	-8,088	-1,305
Income after financial items, SEK 000	-13,448	-8,419	-2,892	-12,489	-11,750	-4,493
Return on total assets, %	Neg	Neg	Neg	Neg	Neg	Neg
Return on equity, %	Neg	Neg	Neg	Neg	Neg	Neg
Equity, SEK 000	511,963	504,446	501,932	489,665	477,990	473,205
Balance sheet total, SEK 000	562,968	556,423	558,944	552,329	547,059	551,239
Net debt, SEK 000	-14,291	-6,735	836	8,474	13,866	15,466
Equity/assets ratio, %	90.9	90.7	89.8	88.7	87.4	85.8
Average number of employees	45	42	38	36	35	34
Number of employees at the end of the period	44	38	38	36	34	34
Equity per share after dilution, SEK	0.90	0.89	0.89	0.87	0.84	0.84
Number of shares, thousands	565,723	565,723	565,723	565,723	565,723	565,723
Number of shares after dilution (at the end of the period)	565,723	565,723	565,723	565,723	565,723	565,723
Number of shares after dilution (average), thousand	565,723	565,723	565,723	565,723	565,723	565,723
Cash flow per share, SEK	-0.03	-0.01	-0.01	0.00	0.00	0.01

Parent Company Income Statement

SEK 000	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Administrative costs	-3,121	-5,610	-8,396	-11,556	-21,389
Other operative income	6,490	6,971	10,174	10,520	27,649
Other operating costs	-2,099	-1,611	-5,935	-3,604	-12,482
Operating income	1,270	-250	-4,157	-4,640	-6,222
Financial items, net	4,141	4,842	8,162	9,539	19,002
Income after financial items	5,411	4,592	4,005	4,899	12,780
Income tax		-		-	-3
Net income	5,411	4,592	4,005	4,899	12,777
Average number of shares before dilution, thousands	565,723	565,723	565,723	565,723	565,723
Average number of shares after dilution, thousands	565,723	565,723	565,723	565,723	565,723
Basic earnings per share, SEK	0.01	0.01	0.01	0.01	0.02
Diluted earnings per share, SEK	0.01	0.01	0.01	0.01	0.02

Parent Company Balance Sheet

SEK 000	Note	30 jun 2017	30 jun 2016
ASSETS			
Non-current assets			
Intangible assets		64,274	63,318
Property, plant and equipment		31,045	31,270
Financial assets		305,948	268,233
Total non-current assets		401,267	362,821
Current assets			
Current receivables		2,158	2,318
Cash and cash equivalents		3,634	4,196
Total current assets		5,792	6,514
TOTAL ASSETS		407,059	369,335
EQUITY AND LIABILITIES			
Equity		377,189	365,456
Non-current liabilities	7	68	68
Current liabilities		29,802	3,811
TOTAL EQUITY AND LIABILITIES		407,059	369,335

Parent Company Statement of Changes in Equity

SEK 000	Equity	Statutory reserve	Share premium reserve	Retained earnings	Total Equity
Opening balance at January 1, 2016	249,707	26,000	1,018,452	-933,380	360,779
Net income				4,899	4,899
Translation difference				-222	-222
Total equity at June 30, 2016	249,707	26,000	1,018,452	-928,703	365,456

SEK 000	Equity	Statutory reserve	Share premium reserve	Retained earnings	Total Equity
Opening balance at January 1, 2017	249,707	26,000	1,018,452	-920,923	373,236
Net income				4,005	4,005
Translation difference				-52	-52
Total equity at June 30, 2017	249,707	26,000	1,018,452	-916,970	377,189

Parent Company Statement of Cash Flows

SEK 000	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Cash flow from operating activities before change in working capital	4,777	3,894	3,635	3,925	11,283
Change in working capital	3,133	1,479	4,946	-1,165	-202
Cash flow from operating activities	7,910	5,373	8,581	2,760	11,081
Cash flow from investing activities	-9,533	-12,373	-15,545	-28,515	-50,685
Cash flow from financing activities	5,055	1	8,887	0	11,355
Change in cash and cash equivalents for the period	3,432	-6,999	1,923	-25,755	-28,249
Cash and cash equivalents at the beginning of the period	187	11,200	1,697	29,961	29,961
equivalents	15	-5	14	-10	-15
Cash and cash equivalents at the end of the period	3,634	4,196	3,634	4,196	1,697

Note 1 Other operating income and other operating costs

SEK 000	Q 1 2016	Q 2 2016	Q 3 2016	Q 4 2016	Full year 2016	Q 1 2017	Q 2 2017
Exchange gains (unrealized)	4,462	7,559	8,507	4,738	25,266	3,276	7,498
Forest sales		1,403	2,765	2,296	6,464		
Sales of fixed assets						2,174	329
Exchange losses (unrealized)	-1,995	-1,615	-1,393	-7,493	-12,496	-3,845	-2,099
Total other operating income and other operating costs	2,467	7,347	9,879	-459	19,234	1,605	5,728

Note 2 Group reserves

SEK 000	31 Mar 2016	30 Jun 2016	30 Sep 2016	31 Dec 2016	31 Mar 2017	30 Jun 2017
Translations						
At beginning of period	-42,429	-41,909	-41,007	-40,628	-40,401	-40,326
Exchange rate differences						
- Group	520	902	379	227	75	-292
Total translations	520	902	379	227	75	-292
Closing balance	-41,909	-41,007	-40,628	-40,401	-40,326	-40,618
Total hedges	-41,909	-41,007	-40,628	-40,401	-40,326	-40,618

Note 3 Intangible Assets

SEK 000	31 Mar 2016	30 Jun 2016	30 Sep 2016	31 Dec 2016	31 Mar 2017	30 Jun 2017
Opening balance	63,188	63,482	64,123	64,925	64,684	64,608
Exchange rate differences	294	641	802	-241	-76	471
Closing balance	63,482	64,123	64,925	64,684	64,608	65,079

Note 4 Property, plant and equipment

					30 Jun 2017 Total
SEK 000	Buildings, land	Mine assets	Machinery and Inventory	Production facility	property plant
Opening book value	25,340	110,284	5,796	280,018	421,438
Purchases					0
Disposals				-703	-703
Exchange rate differences				3,107	3,107
Depreciation	-28		-63	-5,981	-6,072
Closing book value	25,312	110,284	5,733	276,441	417,770

Note 5 Inventories and work in progress

	31 Mar 2016	30 Jun 2016	30 Sep 2016	31 Dec 2016	31 Mar 2017	30 Jun 2017
SEK 000						
Consumables	34,885	35,537	35,990	35,233	35,157	35,625
Total inventories and work in progress	34,885	35,537	35,990	35,233	35,157	35,625

Note 6 Pledged assets

SEK 000	31 Mar 2016	30 Jun 2016	30 Sep 2016	31 Dec 2016	31 Mar 2017	30 Jun 2017
Own liabilities and provisions						
Restricted cash, Deposition Trade-, Traffic- & Environment authority in Finland	22,010	22,422	22,936	22,781	22,733	22,733
Restricted cash, Bergstaten						
Restricted cash, TUKES (TEUR 65)	601	612	626	622	620	629
Leasehold mortgages (MEUR 700)						
Floating charges (MEUR 730)						
Property mortgages (MEUR 730)						
Pledged shares in the subsidiary, Nordic Mines Marknad AB				198,409	197,450	197,412
Total	22,611	23,034	23,562	221,812	220,803	220,774

A significant portion of the project funding raised in March 2011 is from the land around Laiva, the properties and machinery owned by the Company, which were pledged to the benefit of the project financiers. In relation to the acquisition of the bank debt by the Company in 2015 the beneficiary went over from Nordic Mines' lenders to the Nordic Mines parent company and is therefor not accounted for as of 31 December 2015. The value was set by the National Land Survey of Finland at EUR 730 million at the time of the initial pledge. The book value has historically been accounted for significantly lower on the corresponding assets.

Pledging of shares in the subsidiary, Nordic Mines Marknad AB, is to the benefit of the Company's lenders. The given value of the pledge is equivalent to the equity capital at the closing date of the subsidiary Nordic Mines Marknad AB.

Note 7 Contingent liabilities

SEK 000	31 Mar 2016	30 Jun 2016	30 Sep 2016	31 Dec 2016	31 Mar 2017	30 Jun 2017
Guarantee Tallqvist AB (MEUR 1)	9,243	9,416	9,632	9,567	9,546	9,673
Guarantee Atlas Copco AB (maximum amount)	15,840	15,840				
Guarantee Nordea Oy (MEUR 1,1)	10,044	10,232				
Total	35,127	35,488	9,632	9,567	9,546	9,673