

Nordic Mines Market Update

On the weekend of Saturday 6 May and Sunday 7 May 2017 it came to the attention of Nordic Mines AB (publ) ("Nordic Mines" or the "Company") that certain confidential and price sensitive information had reached the public domain without the knowledge of the Company and was circulating on the Internet. The Company duly informed the Nasdaq Stockholm Stock Exchange ("Nasdaq") before Nasdaq opened on 8 May 2017 and a trading halt was placed on the Company's shares.

With respect to the confidential information circulating on the Internet, Nordic Mines wishes to clarify the following:

- On 4 May 2017, the Company received an email purporting to make a "counter offer" to the transaction with Firesteel Resources Inc. ("Firesteel") from Nordic Mines' largest shareholder, Lau Su Holding AB. The offer was to underwrite a percentage of a new rights issue. The Lau Su's "counter offer" was not in a form which could be considered by the board of directors of the Company, principally because it lacked the reasonable detail that would be required by the Board to make a decision, in addition the Company asked Lau Su to clarify its sources of funding in the "counter offer" and to provide sufficient detail in the context of the Company and its future. The Company suggested that Lau Su remake the offer through a bona fide market counter part. The original "counter offer" which was made by email was then quickly withdrawn by Lau Su Holding AB.
- Lau Su Holding AB has indicated that they intend to make a new, formal proposal this week. Should such an offer be received and be in a form which can be considered by the directors of Nordic Mines, it will be communicated to the market.
- In late April 2017, Nordic Mines had a meeting with the environmental authorities in Finland about an application for permitting relating to toll treating third party material. This was an informal meeting without a formal outcome. The non-binding indication provided at the meeting was that the authorities may permit that 18% of the material fed into the process plant at Laiva could be supplied from third party sources.
- Handling of all external materials would need to be applied with sufficient data, assays, leach tests, etc and would constitute a significant reporting burden for the Company. The environmental authorities may set new monitoring parameters depending on the quality of the external material. In addition, a new water cleaning system will be required to process external material.
- Further, the Company would note that

- (i) There are few potential sources of material within a short enough distance from Laiva which would mean that third party material could be economically toll treated at the plant at Laiva;
 - (ii) Nordic Mines currently has no offers of a supply of material to the plant; and,
 - (iii) The plant cannot be operated economically with only a supply of third party material equating to 18% of the plant's capacity so would remain reliant on ore from the Laiva mine.
- Ore sorting: the Company believes that the use of laser ore sorting could make a material difference to the economics of the Laiva operation. The Company has disclosed all of the results received from the tests to-date. More work is needed to determine whether to incorporate ore sorting into the Laiva flow sheet. Until such time as this work is done the Company can not conclusively state that ore sorting works.
- The disclosed transaction with Firesteel has been approved by the directors of the Company, pending certain conditions precedent, as announced on 10 April 2017. The initial part of the transaction with Firesteel (where Firesteel will buy 10% of Nordic Mines Marknad for the sum of €1 million) is conditional upon the following "conditions precedent" :-
 - That the shareholders comprising the Lau Su group of shareholders support the FTR transaction by signing a voting support agreement. That Lau Su group sign a Standstill agreement in the context of its loans to the Company and agree to have its loans repaid by Firesteel either in shares or cash at Firesteel's option.
 - That the Company allows the Firesteel Management, management control of the management of the Laiva mine pursuant to the terms of a management agreement the continuation of which is conditional upon the next C\$20 million being invested into Nordic Mines Marknad.
 - That the Company would grant Firesteel an option in order to buy an additional 50% of Nordic Mines Marknad, subject to Firesteel investing a further C\$20 million and pursuant to the terms of a shareholders agreement to be signed by the Company and an EGM, where the shareholders will be given the opportunity to vote on the Firesteel proposal.
- The Company can confirm that pursuant to the announcement on the 10th of April 2017, that it is making good progress on the documentation and that the initial transaction is now pending the signature of the Lau Su group of shareholders all of whom have indicated with the exception of Lau Su itself that they will support the Firesteel Transaction, however and whilst Firesteel is yet to receive the signed voting support agreements as set out herein. Firesteel, as agreed with the Company, on 2 May 2017 sent the first installment of EUR 200,000 which is part of the EUR 1.0 million which will allow Firesteel to acquire 10% of Nordic Mines Marknad AB. Firesteel published a press release on May 3, 2017 stating that it has completed the first installment of EUR 200,000.

- The Company has received many questions from shareholders seeking to clarify the Firesteel Transaction and it has posted a detailed Q&A on its website which further elaborates on the transaction with Firesteel.
- The Company will give shareholders on record the opportunity to meet with Board members and the Management, in addition to the CEO of Firesteel on Tuesday 16 May 2017 at a venue which it will confirm in the next 24 hours. The purpose of the meeting is to discuss the prospects for the Company and the Laiva Mine. If by then the Company has received Lau Su's "counter offer" then the Company will be happy to discuss the merits of each proposal with shareholders at the same forum.

The Company's cash position is constrained and the Company is in need of funding, to keep afloat. The Company has looked at numerous different options, but currently the only proposal it has is that of Firesteel. If other offers are made, the Board of the Company will of course evaluate them and propose the best solution for all shareholders.

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For more information about Nordic Mines, please visit; www.nordicmines.com.

This information is Nordic Mines AB (publ) obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 15:00 CET on 9 May 2017.

Nordic Mines is a Nordic mining and exploration company. The Laiva mine in Finland produced gold between 2011 and 2014. The deposit is among the largest in the Nordic region. Nordic Mines is a member of SveMin and applies its reporting regulations for public mining and exploration companies. The Nordic Mines share has been admitted for trading on Nasdaq Stockholm's Small Cap list. For further information, see www.nordicmines.com.