

# NORDIC MINES AB (publ)

## First Quarter Report 2017

### First quarter of 2017

- Revenues were SEK 0.3 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 -11.3 million (SEK -13.3 million Q1 2016).
- Loss after tax for the period amounted to SEK -11.8 million (SEK -13.4 million Q1 2016), corresponding to SEK -0.02. (SEK -0.02) per share.
- Cash and cash equivalents were SEK 1.3 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 478.0 million (SEK 489.7 million 31 December 2016) at the end of the period.
- On 9 January 2017, the Board of Directors of Nordic Mines cancelled the extraordinary general meeting, as they decided to take the necessary steps to carry out a rights issue of common shares to the Company's shareholders of approximately USD 5.0 million, subject to shareholders' approval.
- On 18 January, Nordic Mines appointed the investment bank, Evli Bank plc to lead a rights issue on behalf of the Company.
- On 18 January, the Company announced the resignation from the Board of Directors of Mr Pranay Panda with immediate effect.
- During the period, the Company secured a further SEK 3.8 million (USD 0.45 million) in shareholder loans from Lau Su Holding AB.
- On 15 March, the Company announced that it had resolved to undertake a rights issue for SEK 51 million at a subscription price of SEK 0.27 per share and to issue shares to Lau Su Holdings AB and Lao Tzu Investments AB on the same terms to offset their outstanding shareholder loans.

### Significant events after March 31, 2017

- On 10 April, Nordic Mines announced that it had signed a heads of agreement with the Canadian company Firesteel Resources Inc (TSXV: "FTR") whereby FTR will acquire a majority stake in the Laiva project by a combination of newly issued shares in Nordic Marknad AB ("NMM"), a wholly owned subsidiary of the Company, or buying shares in NMM from the Company. Under the terms of the transaction FTR will acquire 60% of NMM in two stages and fund the project back into production.
- The transaction with FTR is conditional on at least 40% of the Company's shareholders agreeing to support the transaction. At present approximately 17% of the Company's shareholders have expressed their support for the FTR transaction
- On 2 May, FTR lent the Company EUR 200,000 as an advance against the EUR 1.0 million which would have been used to allow Firesteel to acquire 10% of Nordic Mines Marknad AB
- On 8 May the shares of the Company were suspended from trading on the Nasdaq Stockholm Stock Exchange after it came to light that certain price sensitive information regarding the Company had appeared on the internet. Following publication of a market update from Nordic Mines on 9 May the shares resumed trading.
- On 11 May Nordic Mines received written confirmation from the authorities in Finland that it will be allowed to treat ore and concentrates from third parties for up to 18% of the feed capacity of the high grade leaching circuit in the processing plant. This will allow up to 2% of total leaching capacity in the processing plant to be used for third party ore and concentrates subject to case by case approvals
- Also on 11 May, the Company received an offer from Lau Su Holding AB, the Company's largest shareholder, to underwrite a SEK 69.1 million rights issue.
- After evaluating the Company's choices the board of Directors decided that a rights issue underwritten by Lau Su was the most viable choice open to the Company.
- The chairman, board of directors, CEO and the CFO have all decided to make their positions available and will all step down at an Extraordinary General Meeting which will be called shortly.

### CEO's Statement

The Company has continued to face significant funding challenges which has placed a constraint on any activity at Laiva during the period. As previously announced the company received two offers to fund the company – a rights issue, partially underwritten by Lau Su Holding AB, and an offer to enter into a corporate transaction with a Canadian listed company, Firesteel Resources Inc.

Following an intensive review of both options, advised by Evli Corporate Finance, the Company has decided to undertake a rights issue as the immediate first step.

Having now secured the Company's immediate future I have decided to step down from the post of CEO. In the last 12 months we have managed to restate our resources, publish a new preliminary economic assessment and carry out significant process testing on an extremely limited budget. All of this will help the company in the next phase of its development. The Company's consultant Chief Financial Officer, Tony Butler, has also resigned.

### Results, first quarter 2017

Net sales were SEK 0.3 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 -4.1 million (SEK -4.6 million Q1 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, amortisation and impairment losses for the first quarter of 2017 were SEK -3.1 million (SEK -4.3 million Q1 2016).

Sales and administration costs amounted to SEK -5.9 million (SEK -6.9 million Q1 2016).

The Company reported an operating result of SEK -11.3 million (SEK -13.3 million Q1 2016).

Net financial items were SEK -0.5 million (SEK -0.1 million Q1 2016). The Company's income tax for the period has an impact on profit of SEK 0.0 million (SEK 0.0 million Q1 2016).

Loss for the period after tax amounted to SEK -11.8 million (SEK -13.4 million Q1 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 -6.1 million (SEK -16.8 million Q1 2016). Net cash flow from the financing operations amounted to SEK 3.8 million (SEK -0.4 million Q1 2016) during the same period. Cash and cash equivalents at the end of the period amounted to SEK 1.3 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 478.0 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 87.4 per cent compared to 88.7 per cent as of 31 December 2016. Net debt was SEK 13.9 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
<b>Measured + Indicated</b>	<b>24,317,397</b>	<b>1.13</b>	<b>27,535</b>	<b>885,000</b>
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
<b>Measured + Indicated</b>	<b>15,970,000</b>	<b>1.52</b>	<b>24,300</b>	<b>780,000</b>
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 January 2015)

Category	Tonnage (t)	Au Grade (g/t)	Gold (kg)	Gold (tr.oz)
Proved	-	-	-	-
Probable	9,367,000	1.19	11,200	360,000
<b>Proved + probable</b>	<b>9,367,000</b>	<b>1.19</b>	<b>11,200</b>	<b>360,000</b>

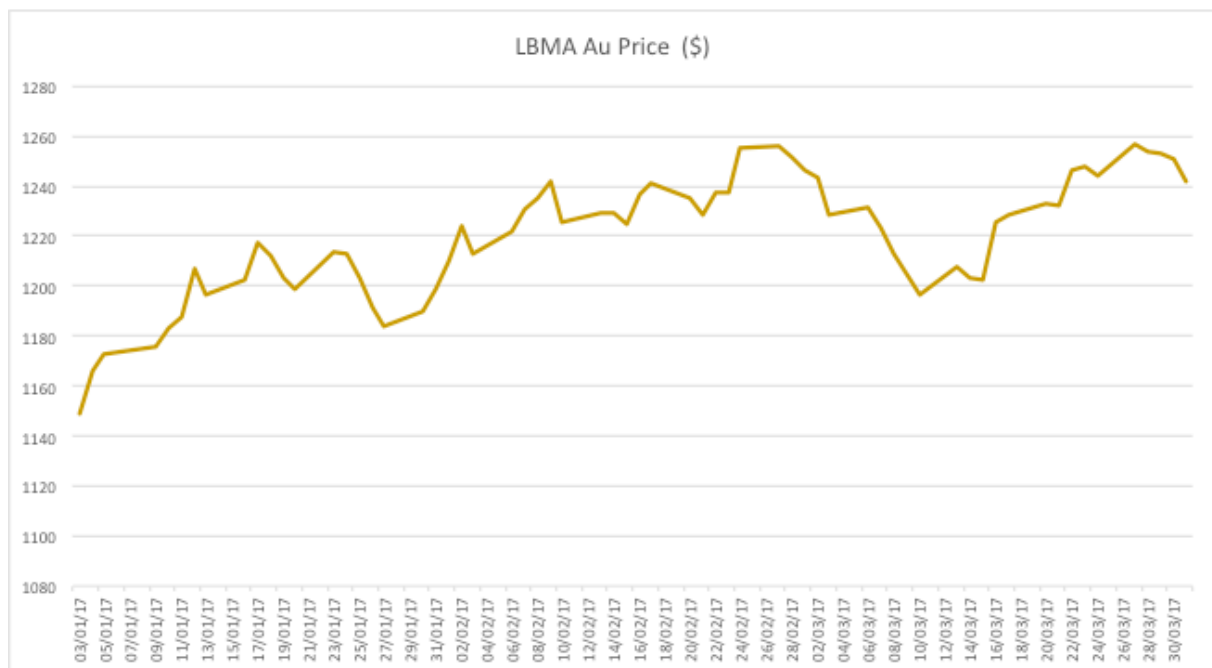
The mineral reserve is reported at a cut-off grade of 0.6 g/t.

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).

For definitions, see the section *Definitions in accordance with SveMin*.

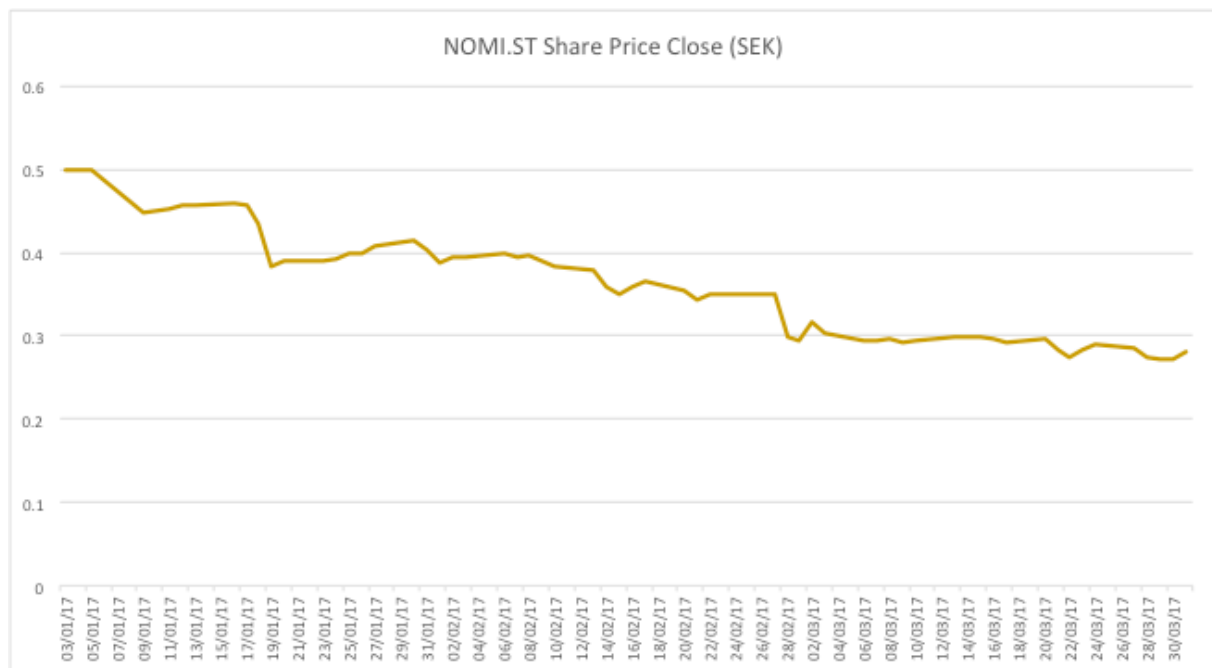
### The gold market and price of gold

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 14,000. The ten largest shareholders in the Company are listed in the table below.

Shareholders as at 31 March 2017	Number of shares	Holdings %
EUROCLEAR BANK S.A/N.V, W8-IMY	130 378 895	23,05 %
CBSG-PHILLIP SEC P/L-CL(INSTI NDVP)	47 754 771	8,44 %
STATE STREET BANK & TRUST COM., BOSTON	27 340 086	4,83 %
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	18 547 617	3,28 %
NORDNET PENSIONS FÖRSÄKRING AB	7 816 767	1,38 %
SWEDBANK FÖRSÄKRING AB	6 690 685	1,18 %
SALA KEBAB AB	5 000 000	0,88 %
HANDELSBANKEN LIV	4 643 225	0,82 %
HILMAND, BIRTE	4 614 573	0,82 %
AZIZOLLAHIBANAB, MADJID	3 805 492	0,67 %
OTHER	309 130 645	54,64 %
<b>Total</b>	<b>565,722,756</b>	<b>100%</b>

Source: Euroclear

### 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](http://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](http://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.

### **Going concern principle**

The Company currently does not have sufficient funds to cover its needs for the next twelve months at the date of this report. The Company basically has had no income since the production at the process plant was closed down, and it is therefore dependent on external capital contributions for its continued operation. For more information please refer to *Liquidity Risks* above.

There are no guarantees that external capital will be raised for continued operations. There are also no guarantees that, at the point in time when a decision must be made about the restart of operations, Nordic Mines will have sufficient liquidity to finance a restart of operations at the Laiva mine.

In a situation where it can no longer be assumed that the Group is a going concern, there is a risk that the Group's assets and the Parent Company's carrying amounts on receivables to Group companies and participations in subsidiaries will be subject to significant impairment losses.

### **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

Annual General Meeting	28 June 2017
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Interim report Q2	22 August 2017
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, 23 May 2017

NORDIC MINES AB (publ)

Vinod Sethi  
*Chairman of the Board*

*D. Saradhi Rajan*  
*CEO and Director of the Board*

Hans Andreasson  
*Director of the Board*

Torsten Börjemalm  
*Director of the Board*

Salim Govani  
*Director of the Board*

Kari Langenoja  
*Director of the Board*

*Krister Söderholm*  
*Director of the Board*

#### **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 23 May 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	Q1 2017	Q1 2016	Full year 2016
Sales revenues		293	0	0
Cost of goods sold		-7,219	-8,927	-31,982
<i>of which production costs</i>		-4,125	-4,605	-16,844
<i>of which depreciation, amortization and impairment</i>		-3,095	-4,322	-15,138
<b>Gross income</b>		<b>-6,926</b>	<b>-8,927</b>	<b>-31,982</b>
Selling and administrative expenses		-5,937	-6,850	-24,460
Other operating income	1	5,450	4,462	31,730
Other operating expenses	1	-3,845	-1,995	-12,496
<b>Operating income</b>		<b>-11,258</b>	<b>-13,310</b>	<b>-37,208</b>
Financial income		0	0	253
Financial expenses		-492	-138	-293
<b>Income after financial items</b>		<b>-11,750</b>	<b>-13,448</b>	<b>-37,248</b>
Income tax		0	0	-6
<b>Net income</b>		<b>-11,750</b>	<b>-13,448</b>	<b>-37,254</b>
<b>Other comprehensive income</b>				
Exchange rate differences for the period	2	75	520	2,028
Total comprehensive income net of tax for the period		75	520	2,028
<b>Total comprehensive income for the period</b>		<b>-11,675</b>	<b>-12,928</b>	<b>-35,226</b>
Net income attributable to: equity holders of the parent company		-11,750	-13,448	-37,254
		<b>-11,750</b>	<b>-13,448</b>	<b>-37,254</b>
Total comprehensive income attributable to: equity holders of the parent company		-11,675	-12,928	-35,226
		<b>-11,675</b>	<b>-12,928</b>	<b>-35,226</b>
Average number of shares before dilution, thousands		565,723	565,723	565,723
Average number of shares after dilution, thousands		565,723	565,723	565,723
Earnings per share before dilution, SEK		-0.02	-0.02	-0.07
Earnings per share after dilution, SEK		-0.02	-0.02	-0.07
Comprehensive income per share before dilution, SEK		-0.02	-0.02	-0.06
Comprehensive income per share after dilution, SEK		-0.02	-0.02	-0.06

## Consolidated Statement of Comprehensive Income, quarterly

Belopp i Tkr	Note	Q 1 2016	Q 2 2016	Q 3 2016	Q4 2016	Q1 2017
Sales revenues		0	0	0	0	293
Cost of goods sold		-8,927	-9,421	-6,402	-7,232	-7,219
<i>of which production costs</i>		-4,605	-3,632	-4,836	-3,771	-4,125
<i>of which depreciation, amortization and impairment</i>		-4,322	-5,789	-1,567	-3,460	-3,095
<b>Gross income</b>		<b>-8,927</b>	<b>-9,421</b>	<b>-6,402</b>	<b>-7,232</b>	<b>-6,926</b>
Selling and administrative expenses		-6,850	-6,384	-6,588	-4,638	-5,937
Other operating income	1	4,462	8,962	11,272	7,034	5,450
Other operating expenses	1	-1,995	-1,615	-1,393	-7,493	-3,845
<b>Operating income</b>		<b>-13,310</b>	<b>-8,458</b>	<b>-3,111</b>	<b>-12,329</b>	<b>-11,258</b>
Financial income		0	1	249	3	0
Financial expenses		-138	38	-30	-163	-492
<b>Income after financial items</b>		<b>-13,448</b>	<b>-8,419</b>	<b>-2,892</b>	<b>-12,489</b>	<b>-11,750</b>
Income tax		0	0	0	-6	
<b>Net income</b>		<b>-13,448</b>	<b>-8,419</b>	<b>-2,892</b>	<b>-12,495</b>	<b>-11,750</b>
Other comprehensive income						
Exchange rate differences for the period	2	520	902	379	227	75
Total comprehensive income net of tax for the period		520	902	379	227	75
<b>Total comprehensive income for the period</b>		<b>-12,928</b>	<b>-7,517</b>	<b>-2,513</b>	<b>-12,268</b>	<b>-11,675</b>
Net income attributable to:						
equity holders of the parent company		-13,448	-8,419	-2,892	-12,495	-11,750
		<b>-13,448</b>	<b>-8,419</b>	<b>-2,892</b>	<b>-12,495</b>	<b>-11,750</b>
Total comprehensive income attributable to:						
equity holders of the parent company		-12,928	-7,517	-2,513	-12,268	-11,675
		<b>-12,928</b>	<b>-7,517</b>	<b>-2,513</b>	<b>-12,268</b>	<b>-11,675</b>
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		-0.02	-0.01	-0.01	-0.02	-0.02
Earnings per share after dilution, SEK		-0.02	-0.01	-0.01	-0.02	-0.02
Comprehensive income per share before dilution, SEK		-0.02	-0.01	0.00	-0.02	-0.02
Comprehensive income per share after dilution, SEK		-0.02	-0.01	0.00	-0.02	-0.02

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

## Consolidated Statement of Financial Position

SEK 000	Note	31 Mar 2016	30 Jun 2016	30 Sep 2016	31 Dec 2016	31 Mar 2017
<b>ASSETS</b>						
<b>Non-current assets</b>						
Intangible assets	3	63,482	64,123	64,925	64,684	64,608
Property, plant and equipment	4	421,972	421,590	426,844	421,438	416,953
Financial assets		22,010	22,422	22,936	22,781	22,733
<b>Total non-current assets</b>		<b>507,464</b>	<b>508,135</b>	<b>514,705</b>	<b>508,903</b>	<b>504,294</b>
<b>Current assets</b>						
Inventories and work in progress	5	34,885	35,537	35,990	35,233	35,157
Current receivables		5,800	6,016	4,776	5,312	6,287
Cash and cash equivalents		14,819	6,735	3,473	2,881	1,321
<b>Total current assets</b>		<b>55,504</b>	<b>48,288</b>	<b>44,239</b>	<b>43,426</b>	<b>42,765</b>
<b>TOTAL ASSETS</b>		<b>562,968</b>	<b>556,423</b>	<b>558,944</b>	<b>552,329</b>	<b>547,059</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>		<b>511,963</b>	<b>504,446</b>	<b>501,932</b>	<b>489,665</b>	<b>477,990</b>
<b>Non-current liabilities</b>						
Borrowings	6	0	0	0	0	0
Provisions		26,431	26,925	27,543	27,357	27,299
Other liabilities		15,601	15,893	6,668	6,623	6,609
<b>Total non-current liabilities</b>		<b>42,032</b>	<b>42,818</b>	<b>34,211</b>	<b>33,980</b>	<b>33,908</b>
<b>Current liabilities</b>						
Accounts payable		5,307	6,472	15,453	13,750	15,452
Borrowings		528	0	4,309	11,355	15,187
Other liabilities		367	347	644	578	2,067
Accrued expenses and prepaid income		2,771	2,340	2,395	3,001	2,455
<b>Total current liabilities</b>		<b>8,973</b>	<b>9,159</b>	<b>22,801</b>	<b>28,684</b>	<b>35,161</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>562,968</b>	<b>556,423</b>	<b>558,944</b>	<b>552,329</b>	<b>547,059</b>
<b>Pledged assets</b>	7	<b>22,611</b>	<b>23,034</b>	<b>23,563</b>	<b>221,812</b>	<b>220,803</b>
<b>Financial guarantees</b>	8	<b>35,127</b>	<b>35,488</b>	<b>9,632</b>	<b>9,567</b>	<b>9,546</b>

## Consolidated Statement of Changes in Equity

SEK 000	Equity	Other capital	Reserves	Retained earnings	Total equity
<b>Opening balance at January 1, 2016</b>	<b>249,707</b>	<b>1,138,281</b>	<b>-42,429</b>	<b>-820,668</b>	<b>524,891</b>
<b>Comprehensive income</b>					
Net income				-13,448	-13,448
Other result for the period			520		520
<b>Total comprehensive income for the period</b>			<b>520</b>	<b>-13,448</b>	<b>-12,928</b>
<b>Total equity at March 31, 2016</b>	<b>249,707</b>	<b>1,138,281</b>	<b>-41,909</b>	<b>-834,116</b>	<b>511,963</b>
<b>Opening balance at January 1, 2017</b>	<b>249,707</b>	<b>1,138,281</b>	<b>-40,401</b>	<b>-857,922</b>	<b>489,665</b>
<b>Comprehensive income</b>					
Net income				-11,750	-11,750
Other result for the period			75		75
<b>Total comprehensive income for the period</b>			<b>75</b>	<b>-11,750</b>	<b>-11,675</b>
<b>Total equity at March 31, 2017</b>	<b>249,707</b>	<b>1,138,281</b>	<b>-40,326</b>	<b>-869,672</b>	<b>477,990</b>

## Consolidated Statement of Cash Flows

SEK 000	Q1 2017	Q1 2016	Full year 2016
<b>Operating cash flow</b>	<b>-11,258</b>	<b>-13,310</b>	<b>-37,208</b>
Interest paid	-492	-138	-293
Interest received	0	0	253
Adjustments for items not included in cash flow:			
Depreciations and write-offs	3,170	4,673	15,741
Provisions	-58	227	1,153
Others	775	-2,398	-12,478
<b>Cash flow after operating activities before changes in working capital</b>	<b>-7,863</b>	<b>-10,946</b>	<b>-32,832</b>
<b>Cash flow from changes in working capital</b>			
Changes in inventories and work in progress	76	-299	-647
Changes in current receivables	-975	604	1,092
Changes in accounts payable	1,702	-4,101	4,342
Changes in current liabilities	943	-2,039	-1,598
<b>Cash flow from operating activities</b>	<b>-6,117</b>	<b>-16,781</b>	<b>-29,643</b>
<b>Investing activities</b>			
Acquisition of fixed assets	694	-529	-1,168
Recovery/ aquisition of other fixed assets	48	-189	-960
<b>Cash flow from investing activities</b>	<b>742</b>	<b>-718</b>	<b>-2,128</b>
<b>Financing activities</b>			
Rights issue	0	0	
Amortization and loans	3,818	-400	1,449
<b>Cash flow from financing activities</b>	<b>3,818</b>	<b>-400</b>	<b>1,449</b>
<b>Changes in cash and cash equivalents</b>	<b>-1,557</b>	<b>-17,899</b>	<b>-30,322</b>
<b>Cash and cash equivalents in the beginning of the period</b>	<b>2,881</b>	<b>32,602</b>	<b>32,602</b>
<b>Exchange rate change in cash and cash equivalents</b>	<b>-3</b>	<b>116</b>	<b>601</b>
<b>Cash and cash equivalents in the end of the period</b>	<b>1,321</b>	<b>14,819</b>	<b>2,881</b>

## Consolidated Statement of Cash Flows, quarterly

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

## Consolidated Key Ratios

	Q1 2017	Q1 2016	Full year 2016
Investments in plant, SEK 000	0	529	1,168
EBITDA SEK 000	-8,088	-8,637	-21,467
Income after financial items, SEK 000	-11,750	-13,448	-37,248
Return on total assets, %	Neg	Neg	Neg
Return on equity, %	Neg	Neg	Neg
Equity, SEK 000	477,990	511,963	489,665
Total assets, SEK 000	547,059	562,968	552,329
Net debt, SEK 000	13,866	-14,291	8,474
Equity/assets ratio, %	87.4	90.9	88.7
Average number of employees	35	45	39
Number of employees at the end of the period	34	44	36
Equity per share after dilution, SEK	0.84	0.90	0.87
Number of shares, thousands	565,723	565,723	565,723
Number of shares after dilution (at the end of the period), thousands	565,723	565,723	565,723
Number of shares after dilution (average), thousand	565,723	565,723	565,723
Cash flow per share, SEK	0.00	-0.03	-0.05

## Consolidated Quarterly Key Ratios

	Q 1 2016	Q 2 2016	Q 3 2016	Q4 2016	Q1 2017
Investments in plant, SEK 000	529	278	369	-8	0
EBITDA SEK 000	-8,637	-4,629	589	-8,790	-8,088
Income after financial items, SEK 000	-13,448	-8,419	-2,892	-12,489	-11,750
Return on total assets, %	Neg	Neg	Neg	Neg	Neg
Return on equity, %	Neg	Neg	Neg	Neg	Neg
Equity, SEK 000	511,963	504,446	501,932	489,665	477,990
Balance sheet total, SEK 000	562,968	556,423	558,944	552,329	547,059
Net debt, SEK 000	-14,291	-6,735	836	8,474	13,866
Equity/assets ratio, %	90.9	90.7	89.8	88.7	87.4
Average number of employees	45	42	38	36	35
Number of employees at the end of the period	44	38	38	36	34
Equity per share after dilution, SEK	0.90	0.89	0.89	0.87	0.84
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), thousand	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	-0.03	-0.01	-0.01	0.00	0.00

## Parent Company Income Statement

SEK 000	Q1 2017	Q1 2016	Full year 2016
Administrative costs	-5,275	-5,946	-21,389
Other operative income	3,684	3,549	27,649
Other operating costs	-3,836	-1,993	-12,482
<b>Operating income</b>	<b>-5,427</b>	<b>-4,390</b>	<b>-6,222</b>
Financial items, net	4,021	4,697	19,002
<b>Income after financial items</b>	<b>-1,406</b>	<b>307</b>	<b>12,780</b>
Income tax		-	-3
<b>Net income</b>	<b>-1,406</b>	<b>307</b>	<b>12,777</b>
Average number of shares before dilution, thousands	565,723	565,723	565,723
Average number of shares after dilution, thousands	565,723	565,723	565,723
Basic earnings per share, SEK	0.00	0.00	0.02
Diluted earnings per share, SEK	0.00	0.00	0.02

## Parent Company Balance Sheet

SEK 000	Note	31 Mar 2017	31 Mar 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		63,803	62,677
Property, plant and equipment		31,061	31,357
Financial assets		296,415	255,860
<b>Total non-current assets</b>		<b>391,279</b>	<b>349,894</b>
<b>Current assets</b>			
Current receivables		2,896	1,530
Cash and cash equivalents		187	11,200
<b>Total current assets</b>		<b>3,083</b>	<b>12,730</b>
<b>TOTAL ASSETS</b>		<b>394,362</b>	<b>362,624</b>
<b>EQUITY AND LIABILITIES</b>			
Equity		371,942	361,013
Non-current liabilities	7	68	67
Current liabilities		22,352	1,544
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>394,362</b>	<b>362,624</b>
Pledged assets		197,450	0
Contingent liabilities		9,546	35,127



## 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				307	307
Translation difference				-73	-73
<b>Total equity at March 31, 2016</b>	<b>249,707</b>	<b>26,000</b>	<b>1,018,452</b>	<b>-933,146</b>	<b>361,013</b>

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				-1,406	-1,406
Translation difference				112	112
<b>Total equity at March 31, 2017</b>	<b>249,707</b>	<b>26,000</b>	<b>1,018,452</b>	<b>-922,217</b>	<b>371,942</b>

## Parent Company Statement of Cash Flows

SEK 000	Q1 2017	Q1 2016	Full year 2016
Cash flow from operating activities before change in working capital	-1,142	31	11,283
Change in working capital	1,813	-2,644	-202
<b>Cash flow from operating activities</b>	<b>671</b>	<b>-2,613</b>	<b>11,081</b>
<b>Cash flow from investing activities</b>	<b>-6,012</b>	<b>-16,142</b>	<b>-50,685</b>
<b>Cash flow from financing activities</b>	<b>3,832</b>	<b>-1</b>	<b>11,355</b>
<b>Change in cash and cash equivalents for the period</b>	<b>-1,509</b>	<b>-18,756</b>	<b>-28,249</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,697</b>	<b>29,961</b>	<b>29,961</b>
<b>equivalents</b>	<b>-1</b>	<b>-5</b>	<b>-15</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>187</b>	<b>11,200</b>	<b>1,697</b>

## Note 1 Other operating income and other operating costs

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

## Note 2 Group reserves

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

## Note 3 Intangible Assets

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

## Note 4 Property, plant and equipment

					31 Mar 2017
SEK 000	Buildings, land	Mine assets	Machinery and Inventory	Production facility	Total property plant
Opening book value	25,340	110,284	5,796	280,018	421,438
Purchases					0
Disposals				-694	-694
Exchange rate differences				-621	-621
Depreciation	-14		-61	-3,095	-3,170
<b>Closing book value</b>	<b>25,326</b>	<b>110,284</b>	<b>5,735</b>	<b>275,608</b>	<b>416,953</b>

## Note 5 Inventories and work in progress

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

## Note 6 Bank loans

Nordic Mines AB has during the fourth quarter 2015 acquired all of the lenders' claims on the Group pursuant to the existing project financing agreement (the "Bank Debt"). The repurchase of the Bank Debt meant that Nordic Mines AB acquires the Bank Debt at a purchase price of EUR 5 million, corresponding to an additional write-down of the initial loan amounts of approximately EUR 10 million. Prior to the first write-down during the summer 2014, the amount of the Bank Debt exceeded EUR 45 million. Nordic Mines AB has also acquired the warrants previously held by the lenders, such warrants corresponding to an ownership of 12 per cent in Nordic Mines AB following exercise of the warrants. The warrants has thereafter been cancelled. Through the acquisition the Group has resumed full control over the assets that are pledged pursuant to the project financing agreements.

## Note 7 Pledged assets

SEK 000	31 Mar 2016	30 Jun 2016	30 Sep 2016	31 Dec 2016	31 Mar 2017
<b>Own liabilities and provisions</b>					
Restricted cash, Deposition Trade-, Traffic- & Environment authority in Finland	22,010	22,422	22,936	22,781	22,733
Restricted cash, Bergstaten					
Restricted cash, TUKES (TEUR 65)	601	612	626	622	620
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
<b>Total</b>	<b>22,611</b>	<b>23,034</b>	<b>23,562</b>	<b>221,812</b>	<b>220,803</b>

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 8 Contingent liabilities

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