



**Fourth Quarter and Year
End 2013 Report
- Nickel Mountain
Group (publ) AB**

Highlights during the 4th quarter 2013

- In total some 12.9 million SEK (“MSEK”) of short-term interest free mainly promissory note loans were granted during the 4th quarter of 2013. All in all, during the second half of 2013 some MSEK17 of short term loans were secured including nearly MSEK 4 of interest bearing loans from main shareholder Altro Invest.
- An EGM held in November 2013 approved of the new company name Nickel Mountain Group AB (publ).
- At the same EGM the shareholders gave authority to initiate a civil court process to claim compensation from previous Board members in respect of the damage in connection with the contested Ghana Gold-transaction earlier in 2013.
- The November 2013 EGM in addition approved a decision in principle to separate all the remaining Africa assets of the group and to offer the shareholders pre-emptive rights to receive said assets.
- The same EGM also decided to reduce the share capital by MSEK 36.3 and to transfer the funds to a free reserve. This reduction will take effect as from end of March 2014 after expiry of a notice period. A mandate was also given to the Board of Directors to decide on new share issues with a deviation from the shareholders’ preferential rights.
- At end of 2013 the Board of Directors approved of the 2014 work programme for the Company’s key nickel project in Rönnebäcken in Northern Sweden. The approved work program is part of the ongoing preparations to submit a Pre-Feasibility Study (PFS) in respect of the nickel project as well as to submit an application for an associated environmental permit to the Swedish Authorities.
- At the end of December 2013, Nickel Mountain Group AB acquired a Swedish partnership containing primarily a residual cash amount. As a result, a revenue component of MSEK 9.7 arose on consolidation, which also equals the cash flow effect on group level.
- For prudence reasons, the MSEK 50 claim on Alluvia Mining was written down by MSEK 20.
- Net result after tax for the quarter October – December 2013 amounted to MSEK -20.1 (MSEK -101.1). It includes non-cash flow effecting impairment and depreciation of fixed assets of MSEK 21.2 (MSEK 124.4). This corresponds to earnings per share (EPS) of SEK -1.11 (SEK -5.56).
- The total comprehensive loss for the last quarter of 2013 was MSEK -20.8 (MSEK -101.8).

Highlights during the preceding quarters 2013

- A new shareholder, Amarant Mining Ltd, acquired an interest of some 29.7% of the capital and votes of the Company in late 2012. A new board of Directors was appointed in that context.
- The Board appointed in December 2012 in January 2013 decided to acquire 100% of Ghana Gold AB, a Swedish company with certain assets in Africa, from a Jersey based entity called Alluvia Mining Ltd. The purchase consideration was to be both in cash and via a directed share issue. A MSEK

50 cash component was very quickly transferred abroad as part of the purchase consideration. The assets held by Ghana Gold were found to be of dubious value and in addition the transaction had a related party character.

- On April 3, 2013 the acting CEO was asked to leave with immediate effect and a new acting CEO was elected from among the Board members appointed in December 2012.
- An Extraordinary Shareholders' Meeting held on April 25, 2013 approved to issue shares to Alluvia Mining, but this share issue was later contested by minority shareholders and a court ruling in summer 2013 declared the share issue invalid and thereby the whole acquisition was invalidated and supposed to be reversed. At the same time, in spring 2013, the auditors of the Company, KPMG, resigned from the company and contacted the authorities in Sweden and reported on suspected economic criminal activity in connection with the attempted Ghana Gold purchase.
- The Company came in to serious financial difficulties as a result of essentially all the Company's cash being diverted abroad in early 2013.
- A new Board was appointed in August 2013, and an acting CEO was elected from among the new Board members.
- In addition, in August 2013 the Company was informed that said dominating share interest of some 29.7% of capital and votes was then taken over by the Swedish leasing company Altro Invest in connection with them being forced to realize and take control of a pledge, namely said share interest, from a defaulting borrower. After this, Altro Invest remains the single largest shareholder of the Company.
- Net result after tax for the 12-month period January – December 2013 amounted to MSEK -110.1 (MSEK -121.5). It includes non-cash flow effecting impairment and depreciation of fixed assets of MSEK 131.1 (MSEK 126.2). This corresponds to earnings per share (EPS) of SEK -6.06 (SEK -8.63).
- The total comprehensive result for the full financial year 2013 was MSEK -116.9 (MSEK -123.1).

Events after the end of the reporting period

- A new group CEO was appointed as from January 1, 2014 replacing the acting Managing Director, who remains on the Board of Directors. Mr. Ranta, the new CEO, has over the last 17 years served as CEO of a number of public Swedish junior mineral exploration and production companies.
- In the end of January 2014 NMG conducted a set-off issue whereby some MSEK 11.8 of short-term debt was converted to 3,052,799 new shares. Total number of shares post this issue amounts to 21,227,721.
- Mr. Fredric Bratt, the group's previously responsible nickel project manager left the company in the middle of January 2014 for taking on new challenges. Mr. Rolf Ritzén, a senior former Swedish mining executive, has stepped in as Chief operating officer on a consultancy basis in the nickel business area. Chief geologist Johan Sjöberg has also taken on certain strategic work on group level to support the new CEO.

- Three exploration permits in the Rönnebäcken area approaching expiration during the latter part of 2013 were as expected extended by the Swedish Mining Inspectorate following NMG's applications earlier in 2013.
- SRK Consulting (Sweden) AB has been contracted by NMG to co-ordinate the already launched activity program under the PFS (Pre-Feasibility study).
- Indonesia, accounting for some 17% of global nickel production in 2013, in early January 2014 introduced an immediate export ban on raw material exports including on nickel. The global nickel price strengthened, and the outlook for the future nickel prices remains positive.
- A new 100% owned subsidiary company named African Diamond AB has been incorporated. It will serve as vehicle for the planned distribution to NMG shareholders of the remaining diamond related assets of the group in accordance with previously released information.

Key figures, Nickel Mountain Group

SEK thousand				
	Q4 2013	2013	Q4 2012	2012
Sales	-	-	-	-
Other income	-113	8	-	-
Total revenues	-113	8	-	-
EBITDA	-8 099	-21 991	-5 879	-24 645
Impairment losses and depreciation	-21 169	-131 134	-124 351	-126 229
Net result attributable to shareholders of parent company	-20 010	-109 987	-101 593	-121 450
Net Investments in period (MSEK)	1.3	3.1	6.6	16.3
Cash at end of period	15 288	15 288	69 193	69 193
Interest bearing long term debt at end of period	9 931	9 931	6 155	6 155

Background

Nickel Mountain Group AB (publ) ("NMG") is a Swedish mineral exploration company. The company name was until end of 2013 IGE Resources (IGE). The group structure consists of the Swedish parent company that in its turn owns a number of subsidiary companies. The shares of NMG are listed on the Oslo Stock Exchange in Norway. The number of shareholders amounts to some 6,000.

The key asset of NMG is the Rönnebäcken nickel sulphide deposit located in Northern Sweden in Västerbotten County. Rönnebäcken project has been evaluated by SRK Consulting (Sweden) AB in December 2011. The results in the form of a so called Preliminary Economic Assessment at that time demonstrated a NI 43-101 compliant resource of 668.3 million tons with an average total nickel content of 0.176% of which 0.097% is nickel in sulphide

(Ni-AC), and an iron content of 5.67%. Of the resource some 97% were in the Measured & Indicated categories.

NMG (IGE) is also involved in mineral exploration activities in a number of African countries. In order to concentrate on the Rönnebäcken nickel project, a decision has been taken by the Board of Directors to spin off the African assets owned by the subsidiary IGE Diamonds and to give the shareholders pro-rata free shares. They have for prudence reasons been impaired to zero value in the year end 2013 group accounts.

NMG is now focusing on completing a Pre-Feasibility Study of Rönnebäcken nickel project and in parallel to submit an application for an environmental permit to the Swedish authorities according to Swedish legislation.

Results, Group

The net result after tax of Nickel Mountain Group ("NMG") for the full 12 month period Jan – Dec 2013 amounted to MSEK -110.1 (MSEK -121.5 during the corresponding period in 2012). For the fourth quarter of 2013, the net result after tax was MSEK -20.1 (MSEK -101.1 in Q4 2012).

There were no sales revenues for the 12-month period 2013 (MSEK 0.0).

Operating costs excluding depreciation and impairment amounted to MSEK -22.0 during full year 2013 (MSEK -24.6 in same period 2012). During the quarter Oct – Dec 2013 the operating costs were MSEK -8.1 (MSEK -5.9).

Depreciation and impairment were MSEK -131.1 during the financial year 2013 (MSEK -126.2) and relate mainly to business segment "Diamonds" in Africa, where the halted financing by the parent company during the financial year as a result of the Ghana Gold transaction lead to license obligation defaults, loss of key personnel and in general lost reputation and irritated business contacts. As further explained in the report section "Diamonds", the group had to reduce involvement in most of the projects and to put a certain part of them on maintenance and care.

During the last quarter of 2013, depreciation and impairment amounted to MSEK -21.2 (MSEK -124.4) and relate mainly to a partial write down of the claim on Alluvia Mining for prudence reasons.

Nickel Mountain Group had a negative cash flow of MSEK -53.9 during financial year 2013 mainly referable to the invalidated purchase of Ghana Gold. Cash flow in the same period 2012 was positive and amounted to MSEK 58.2 due to a rights issue of MSEK 101.7 carried out during that year.

Cash and cash equivalents at the end of December 2013 were MSEK 15.3, compared to MSEK 69.2 at end of the fourth quarter 2012.

Nickel Mountain Group's total assets at the end of fourth quarter 2013 were MSEK 158.9, compared to MSEK 292.8 at the end of the same period 2012.

Net investments during the financial year 2013 amounted to MSEK 3.1 (MSEK 16.3). Net investments during the fourth quarter 2013 reached MSEK 1.3 (MSEK 6.6 in fourth quarter 2012).

Corporate

The financial year 2013 was an extremely challenging period for Nickel Mountain Group AB (previously named IGE Resources). In the very end of 2012 a new main shareholder, Amarant Mining Ltd ("Amarant"), appeared. Amarant had acquired a share interest of some 29.7%. A new Board of Directors was appointed on December 27, 2012. As a first major move, the new Board in January 2013 decided to acquire an African gold asset, Ghana Gold AB, from a Jersey based entity, Alluvia Mining Ltd. The asset turned out to be of questionable value. The purchase consideration was supposed to consist of a cash payment of 50 MSEK plus an additional 50 million newly issued NMG shares. The 50 MSEK were wired abroad quickly by the new Board and management long before the transaction had closed. The share issue was at first approved by an EGM on April 25, 2013 despite minority shareholders voting against. The whole acquisition was conditional on the full consideration being paid. The directed share issue was subsequently contested to the Swedish courts by minority shareholders referring to among other things partiality of the Board in NMG at that time. Certain board members of NMG had namely turned out to be involved on the selling side. The court declared the share issue invalid, and the purchase consideration was supposed to be returned. This did not happen. Given the suspicious character of the transaction, NMG's auditors at that time, KPMG, resigned in spring 2013 and submitted a notice to the Swedish Economic Crime Authority on suspected criminal activity.

At the end of July 2013, shortly before the AGM was convened on August 2, NMG was informed that the 29.7% share interest previously held by Amarant Mining Ltd had been pledged, and the pledgee, Swedish leasing company Altro Invest, had been forced to realize the pledge and take over said share interest.

The Annual General Meeting (AGM) held on August 2nd 2013 voted against the proposed purchase of Ghana Gold. This general meeting decided not to grant discharge from liability to the former Board of Directors

constituted by Ulrik Jansson, Hans Lindroth, Jukka Kallio and Terje E Lien for its financial management of the company in conjunction with the proposed purchase of Ghana Gold AB. A new Board was elected constituted by Stefan Persson, Björn Rohdin, Svein Breivik and Ole Weiss. Erlend Dunér Henriksen was appointed deputy board member.

The former board or some of its members will be held financially responsible, by the existing board, for the damage they have caused the company and its shareholders. One item on the EGM on November 22nd 2013 was for the shareholders to decide to grant the new board full powers to act versus the former board or some of its members to recover the 50 million SEK plus additional damage.

Financing activities in second half of 2013

In August 2013, the new main owner Altro Invest AB provided IGE Resources with a short-term loan facility of 4 MSEK with an interest component of 7.5%. The loan was open to draw downs during autumn 2013, and was almost fully utilized as per end of 2013.

In September 2013, the Board of NMG announced its initial plans to spin off the African portfolio by way of a distribution of the shares in the subsidiary IGE Diamonds AB.

On September 24th 2013, NMG announced it had secured a SEK 500.000 short term, interest free unsecured loan earmarked the reconstruction of the diamond assets held by its subsidiary IGE Diamond AB. The loan was received with a condition that it could be converted to shares at a price equal to closing price on the 20th of September 2013 (0.28 NOK before reversed share split), subject to approval by an EGM. The main creditors were Altro Invest AB, Board member Svein Breivik, Deputy Board member Erlend Dunér Henriksen, the company IR Tony Saetre and a number of Norwegian minority shareholders.

On October 4th 2013, NMG announced it had secured a MSEK 2 short term, interest free, unsecured loan earmarked the nickel project. The loan was received with a condition that it could be converted to shares at a price equal to closing price on the 3rd of October 2013 (0.30 NOK before reversed share split), subject to approval by an EGM. The main creditors were Altro Invest AB, Board member Svein Breivik, Deputy Board member Erlend

Dunér Henriksen and a number of Norwegian minority shareholders.

On October 14th, NGM further announced it had secured an additional MSEK 1.2 short term, interest free, unsecured loan earmarked the nickel project. This loan was granted with a condition that it could be converted to shares at a price equal to closing price on the 11th of October 2013 (0.31 NOK), subject to approval by an EGM. The main creditors were Altro Invest AB, Deputy Board member Erlend Dunér Henriksen and a number of Norwegian minority shareholders.

On October 30th, NMG offered all shareholders exclusive rights to subscribe for an interest free promissory note loan earmarked the nickel project with certain conversion rights. In total NMG during second half of 2013 obtained some 12.9 MSEK of interest free short term loans in this way.

On November 8th, NMG also announced again that it would provide all its shareholders with one free share in IGE Diamonds AB for every share held in NMG AB when business area «Diamonds» gets separated completely from NMG as a separate legal entity. Separation was planned to be executed as soon as possible after the extraordinary General Meeting (EGM) of IGE 22 November 2013. The right to obtain free IGE Diamonds shares will be determined by the number of NMG shares held on the record day to be announced as soon as practically possible.

On November 11th, it was further announced that interest free promissory note holders would also be entitled to participate in the spin-off of the business area «Diamonds» provided the promissory notes were tendered for conversion to shares latest on December 17, 2013.

The mentioned Extraordinary Shareholders' Meeting held on November 22, 2013 among other things gave authority to the Board of Directors to conduct share issues including via payments by debt set-off. The bulk of the interest free extended credit financing during autumn 2013 got set off for newly issued shares by end of January 2014 (see more below).

In total, the equivalent of some 17 MSEK of credit financing was made available in various tranches during the second half of 2013

including the interest bearing loan facility from main shareholder Altro Invest. This financing has allowed the group to continue to work as a going concern although NMG was in an extremely difficult situation earlier during the year.

In the very end of December 2013 NMG also received an additional cash injection of 10 MSEK before transaction costs. This transaction was in essence an acquisition by NMG of a Swedish partnership. This partnership had sold a property during the year and faced a significant profit tax. NMG acquired the partnership after the property sale was completed and will use its own tax losses to manage the tax burden of the partnership. This transaction results in a P&L effect of +9.7 MSEK after transaction costs for NMG in the last quarter of the financial year 2013, and this is also the cash effect to the group.

Board nomination committee

The board nomination committee consists of the Chairman of the Board, Mr. Stefan Persson. Further, a representative of the Company's main shareholder Altro Invest is present, Mr. Håkan Eriksson. Then Mr. Erlend Dunér Henriksen is also on the committee. He represents Norwegian Aroma Holding and a number of the other minority shareholders, and is presently a Deputy Board member of NMG. The committee can be reached via email «valberedning@nickelmountain.se».

Operations; nickel

The Company now focuses on the preparations for a Pre-Feasibility Study (PFS) and a permit application under the Environmental Code. This permit application will be tried by the Environmental Court and the company will conduct the investigations necessary for the Court's assessment. The drafting of an environmental impact assessment will require consultations to be held with affected authorities and stakeholders. The studies and preparation work for the PFS and the permit application are estimated to take at least 18 months given stable and regular financing being available. The preliminary estimated cost for the studies and preparation work is approximately MSEK 100. A certain part of this programme including all

vital and time-consuming environmental components has already been launched, and SRK Consulting has been contracted to coordinate the Prefeasibility study.

In a decision on 22 August 2013, the Swedish Government dismissed appeals from among others Vapsten Reindeer Herding Co-operative ("Vapsten") regarding the Chief Mine Inspector's decision to grant the three exploitation concessions Rönnbäcken K nr 1-3 to Nickel Mountain AB, a wholly owned subsidiary of Nickel Mountain Resources AB.

However, Vapsten has thereafter continued to defend its own interests. On 21 November 2013, they petitioned to the Supreme Administrative Court in Sweden for a judicial review of the Swedish Government's decision to dismiss Vapsten's appeals. It is not clear as of now when this judicial review will take place.

Further, as a next move, Vapsten has submitted a complaint to the UN Committee on the Elimination of Racial Discrimination (CERD). Vapsten in the complaint argues that Sweden has violated the UN prohibition on racial discrimination. CERD is an advisory committee, and its decisions are in the form of recommendations to member state governments.

For a complaint to be admissible to CERD, the party must have exhausted all domestic remedies. Nickel Mountain notes that Vapsten's above described petition to the Supreme Administrative Court has not yet been turned down.

The Swedish Government has accordingly on January 22, 2014 responded to CERD that it believes CERD should reject the complaint from Vapsten because the Supreme Administrative Court in Sweden is expected to do a new review of the Government's decisions regarding Vapsten's appeal in this matter. Further, the Government says that in case CERD still does not reject the complaint from Vapsten, CERD should at least wait with its next move until the Supreme Administrative Court has completed its repeated review of the question.

Three exploration permits in the Rönnbäcken area approaching expiration during the latter part of 2013 were as expected extended by the Swedish Mining Inspectorate following NMG's applications earlier in 2013.

An option to acquire 10% of the Rönnebäcken Nickel project via subsidiary company Nickel Mountain AB granted in 2010 to Australian company Mitchel River Group (MRG) expired in December 2013. MRG has assisted NMG with the Rönnebäcken nickel project in various ways over the years. The fact that MRG did not exercise the option implies that the security in the form of 10% of Rönnebäcken project granted to MRG now has been released.

Operations; diamonds

The African division also had a challenging year as a result of the halted financing by the parent Company following the policies and mismanagement conducted by the former Board appointed at the end of 2012. As described in other sections of this report, in principle all liquidity of the group was diverted in January 2013 in connection with the then proposed acquisition of Ghana Gold Company. This led to a freeze of activity in Africa and as a result of this a full impairment of the African assets on group level already in the 6-month interim financial report released by the new Board and Management in August 2013.

After extensive efforts in the last months, the new board members and management of IGE Diamond have managed to preserve important relations in the Democratic Republic of Congo (DRC), and some remaining and loyal personnel were set to protect and serve the interests/assets of the Company in the country. We have also managed to recover and secure the majority of the Company's machinery and other equipment to be used in the mining process in DRC in the future.

The work during the fourth quarter has therefore mainly been focused on the restructuring of the Group's operation and organization in DRC. The main part of the work in practice during the latter part of 2013 has been related to various administrative issues aiming to secure the NMG subsidiary IGE Diamond's continued presence, to renegotiate and/or terminate contracts, refutation of lawsuits, incorporation of a new local entity etc.

The new Board in IGE Diamond, responsible for the African diamond operations, decided to recruit a new Manager in DRC to help the Company to sort the legal challenges and to put a new Management in place. As per end of the year 2013, IGE Diamond was in the process of recovering the Longatshimo

concession, which was successfully achieved after the reporting period, and is planning for a start-up of a small dredging operation on the Longatshimo River and smaller dry land operations. The mining plan for the continued operation in Longatshimo will to some extent be dependent on the outcome of the dredging operation. The access to funding on acceptable terms will also have impact on the future strategy regarding the Longatshimo concession. A full-scale alluvial mining operation on the terraces as well as a diversion of the Longatshimo river are being considered as interesting operations for the project going forward.

In order to remove risk of lawsuits and claims based on the mismanagement and history of the former Board and Management, the IGE Diamond DRC subsidiary Efidium Sprl was at year-end 2013 under liquidation. After the reporting period, IGE Diamond has successfully liquidated Efidium Sprl and set up a new Congolese subsidiary, Lobo Mining SARL. This Company is 100% owned by the new NMG subsidiary African Diamond AB (ADIAM).

The South African licenses are still on care and maintenance. The Board is evaluating several proposals from interested parties for future JV's or outright sales at present. Assumptions may change, but the most realistic outcome of a transaction made on these licenses is an earn-in agreement in which a partner is working itself in to the project by way of investing in additional exploration or mining plant and/or equipment.

Events after the end of the reporting period

Summary of events:

- A new group CEO was appointed as from January 1, 2014 replacing the acting Managing Director, who remains on the Board of Directors. Mr. Ranta, the new CEO, has over the last 17 years served as CEO of a number of public Swedish junior mineral exploration and production companies.
- In the end of January 2014 NMG conducted a set-off issue whereby some MSEK 11.8 of short-term debt was converted to 3,052,799 new

shares. Total number of shares post this issue amounts to 21,227,721.

- Mr. Fredric Bratt, the group's previously responsible nickel project manager left the company in the middle of January 2014 for taking on new challenges. Mr. Rolf Ritzén, a senior former Swedish mining executive, has stepped in as Chief operating officer on a consultancy basis in the nickel business area. Chief geologist Johan Sjöberg has also taken on certain strategic work on group level to support the new CEO.
- Three exploration permits in the Rönnebäcken area approaching expiration during the latter part of 2013 were as expected extended by the Swedish Mining Inspectorate following NMG's applications earlier in 2013.
- SRK Consulting (Sweden AB) has been contracted by NMG to co-ordinate the already launched activity program under the PFS (Pre-Feasibility study).
- Indonesia, accounting for some 17% of global nickel production in 2013, in early January 2014 introduced an immediate export ban on raw material exports including on nickel. The global nickel price has strengthened, and the outlook for the future nickel prices remains positive.
- A new 100% owned subsidiary company named African Diamond AB (ADIAM) has been incorporated. It will serve as vehicle for the planned free distribution to NMG shareholders of the remaining diamond related assets of the group in accordance with previously released information.

Financial position

Cash and cash equivalents at the end of the fourth quarter 2013 amounted to MSEK 15.3, compared to MSEK 69.2 at the end of fourth quarter 2012. Total equity at the end of the reporting period amounted to MSEK 124.8 (MSEK 243.4 at end of the corresponding period 2012), representing an equity ratio of 79 per cent (83 per cent at the end of fourth quarter of 2012).

The Company's interest bearing long-term debt as at end of December 2013 amounts to MSEK 9, which is constituted by an MSEK 5 convertible loan, granted by Norrlandsfonden

in 2010 for the development of Rönnebäcken nickel project. This loan matures in August 2018 and carries an interest rate component of STIBOR + 4% p.a. It is described more in detail in note 10 to this report.

In addition, there was an MSEK 4 unsecured loan extended in May 2013 by the former Chairman of NMG, Mr. Ulrik Jansson, for working capital purposes. This loan has a 3-year term and carries an interest rate of 12% p.a. It is also described more in detail in said note 11.

Short-term loans by year-end 2013 amounted to MSEK 17.4 (MSEK 0.2). Thereof 11.8 MSEK was set-off for newly issued NMG shares in late January 2014. Another approximately 5 MSEK are planned to get set-off for new shares in early spring 2014. Since Board members and their related parties are also creditors to NMG, and intend to accept loan repayment via share issues on the same conditions as the previously executed set-off, this set-off component demands special approval on a new EGM according to the Chapter 16 provisions of Swedish Company Law. Such EGM is planned to get convened as soon as practically possible.

Group outlook

The financial situation of the Group has been very strained during most parts of 2013 due to the matured invoices left by the former management. The situation improved somewhat during the second half of the year following receipt of loans as described above from main shareholder Altro Invest and from a large number of primarily Norwegian minority shareholders.

The efforts to secure financing have been running in parallel with the process of trying to reclaim the funds transferred to Alluvia Mining Ltd and compensation for consequential damage in connection with the invalidated Ghana Gold transaction. A leading Swedish law firm has been mandated by the Board of NMG to handle all issues associated with the claim on Alluvia Mining.

Towards the end of December 2013, the mentioned cash injection of MSEK 9.7 as a result of the partnership acquisition gave further relief to the Company.

The Board and management of NMG therefore believe that the financial situation now is manageable. Whether there is working capital enough for carrying out the daily operations

during a coming 12-month period will depend on the possibilities to attract further financing during the second half of 2014 as well as on the development of claiming back the MSEK 50 receivable on Alluvia Mining.

Parent company

The Parent Company's business activity is to manage the Group's operations. The result after tax during full financial year 2013 amounted to MSEK -110.4 (MSEK -161.6 in 2012). The corresponding result during the fourth quarter of 2013 amounted to MSEK -100.1 compared to MSEK -153.2 in the same period 2012.

In the 2013 net result, depreciation and Impairment of fixed assets amounting to MSEK -100.4 is included for the period Jan – Dec, and it was all recorded in the fourth quarter of the year. During 2012, the same amount was MSEK 0. Impairment in 2013 relates to inter group receivables and to the claim on Alluvia Mining.

Cash and cash equivalents in the parent company amounted to 5.0 MSEK by the end of December 2013 (68.6 MSEK).

The NMG share

Reporting dates in 2014

April 29 - Annual report for 2013

May 27 - Report for quarter Jan – March 2014

June 4 - Annual General Meeting in Stockholm

August 28 - Report for 6 m Jan – June 2014

November 27 - Report for 9 m Jan – Sept 2014

There were 181,749,225 shares outstanding as at January 1, 2013. Par value per share then was SEK 2.50. During the rest of the financial year, 2013 there were no share issues registered. At the AGM on August 2, 2013 there was, however, a reversed share split 10:1 approved. The effective date was December 13. Thereafter there were 18,174,922 shares outstanding. In addition, an EMG held on November 22, 2013 decided to reduce the share capital by changing the par value per share from SEK 2.50 to SEK 0.50. This share capital reduction will be finally registered towards the end of first quarter 2014 provided no known or unknown creditors of the company have submitted objections to the decision. There is only one class of shares. All shares carry one vote. The EGM held on November 22, 2013 gave a mandate to the Board of Directors to decide on share issues of up to 9,087,461 new shares with a deviation from the shareholders' preferential rights valid until the next Annual General Meeting. Thereof, as mentioned above, 3,052,799 shares were issued in a debt set-off transaction in end of January 2014. Thereafter there were 21,227,721 shares outstanding.

Employees

By the end of December 2013, NMG group had four employees whereof two men and two women.

This report has not been reviewed by the Company's auditors.

Stockholm, February 27, 2014

For and on behalf of the Board of Directors

Torbjörn Ranta
Managing Director

The shares of Nickel Mountain Group (publ.) are listed on the Oslo Stock Exchange, ticker symbol NMG.

Cautionary Statement: Statements and assumptions made in this document with respect to Nickel Mountain Group AB's ("NMG") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of NMG. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", "strategy", "forecast" and similar expressions. These statements reflect management's expectations and assumptions in light of currently available information. They are subject to a number of risks and uncertainties, including, but not limited to, (i) changes in the economic, regulatory and political environments in the countries where NMG operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) NMG's continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential joint ventures and alliances, if any; (v) metal prices, particularly as regards nickel. In the light of the many risks and uncertainties surrounding any mineral project at an early stage of its development, the actual results could differ materially from those presented and forecast in this document. NMG assumes no unconditional obligation to immediately update any such statements and/or forecasts.

Consolidated statement of loss
(TSEK)

	Note	3 months Q4 2013	3 months Q4 2012	12 months 2013	12 months 2012
Other operating income		-113	0	8	0
Other external expenses	12	-6 522	-2 805	-14 907	-13 624
Personnel expenses		-1 463	-2 847	-7 016	-10 022
Results from equity accounted participations	7	-	-227	-75	-999
Operating result before depreciation and impairment losses		-8 099	-5 879	-21 991	-24 645
Depreciation/amortization and impairment loss on property, plant and equipment, intangible assets	4	-21 169	-124 351	-131 134	-126 229
Financial revenue	3	33	134	38	605
Financial expenses	3	-563	-32	-788	-252
Total financial items		-530	102	-750	353
Result before tax	15	-29 798	-130 128	-153 875	-150 521
Income tax	8	9 700	29 031	43 787	29 031
Result for the period		-20 098	-101 097	-110 088	-121 490
<i>Result for the period attributable to:</i>					
Equity holders of the Parent Company		-20 010	-101 593	-109 987	-121 450
Non controlling interest		-88	-576	-101	-40
Result for the period		-20 098	-101 097	-110 088	-121 490
Result per share before and after dilution		-1,11	-5,56	-6,06	-8,63
Average number of shares (Millions)		18,2	18,2	18,2	14,1

Consolidated Statement of comprehensive loss

TSEK	Q4 2013	Q4 2012	2013	2012
Result for the period	-20 098	-101 097	-110 088	-121 490
<i>Other comprehensive income</i>				
Foreign currency translation differences - foreign operations	-746	-695	-6 856	-1 637
Total other comprehensive income	-20 844	-101 792	-116 944	-123 127
<i>Total comprehensive income for the period attributable to:</i>				
Equity holders of the Parent Company	-20 756	-101 216	-116 843	-123 087
Non controlling interest	-88	-576	-101	-40

Consolidated statement of financial position

(TSEK)	Note	2013-12-31	2012-12-31
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Mineral interests	4	110 113	218 489
<i>Tangible fixed assets</i>			
Plant and machinery		246	605
<i>Long-term financial assets</i>			
Participation in equity accounted companies		283	434
Long-term receivables		31	31
Total fixed assets		110 673	219 559
Current Assets			
Other receivables		2 702	3 461
Prepaid expenses		208	591
Claim on Alluvia Mining	6,12	30 000	-
Cash and cash equivalents		15 288	69 193
Total current assets		48 198	73 245
TOTAL ASSETS		158 871	292 804
EQUITY			
<i>Equity attributable to equity holders of the parent company</i>			
Share capital		45 437	45 437
Other paid in capital		1 174 207	1 175 737
Reserves		1 081	7 937
Retained earnings and profit for the period		-1 096 021	-985 860
		124 704	243 251
Non controlling interest		80	181
Total equity		124 784	243 432
		0	
Long term Liabilities			
Deferred tax liabilities	9	-	34 087
Other provisions	9	-	1 018
<i>Long term liabilities</i>			
Convertible loan	10	5 000	5 000
Other long term liabilities	11	4 931	1 155
Total long term liabilities		9 931	41 260
<i>Current liabilities</i>			
Accounts payable		2 925	6 261
Short term interest free loans and borrowings	12	12 927	-
Other liabilities	12,14	4 458	189
Accrued expenses and prepaid income		3 846	1 662
Total current liabilities		24 156	8 112
TOTAL EQUITY AND LIABILITIES		158 871	292 804
<i>Pledged assets</i>		31	10 379


Consolidated Statement of changes in equity							
(TSEK)	Equity related to the shareholders of the parent company						
	Share capital	Other paid in capital	Exchange differences	Retained earnings and profit for the year	Total	Non controlling interest	Total Equity
Balance at 1 January 2012	12 982	1 107 044	9 574	-848 462	281 138	-15 727	265 411
Net result for the period				-121 450	-121 450	-40	-121 490
Reallocation of paid premium related to warrants issued by the company		-510			-510		-510
<i>Other comprehensive income:</i>							
Translation reserve			-1 637		-1 637		-1 637
Transactions with shareholders:							
New share issue	32 455	82 003			114 458		114 458
Majority's takeover of minority's commitment				-15 948	-15 948	15 948	0
Costs referable to fundraising		-12 800			-12 800		-12 800
Closing balance at 31 December 2012	45 437	1 175 737	7 937	-985 860	243 251	181	243 432
Balance at 1 January 2013	45 437	1 175 737	7 937	-985 860	243 251	181	243 432
Net result for the period				-110 088	-110 088	-101	-110 189
<i>Other comprehensive income:</i>							
Costs referable to fund-raising		-1 530			-1 530		-1 530
Other transactions				-73	-73		-73
Translation reserve			-6 856		-6 856		-6 856
Closing balance at 31 December 2013	45 437	1 174 207	1 081	-1 096 021	124 704	80	124 784

Consolidated statement of cash flow

(TSEK)

	Jan-Dec 2013	Jan-Dec 2012
Cash flow from operations		
Result after financial items	-153 875	-150 521
Adjustments for non cash items*	134 054	122 278
Income tax paid	-	-
Total cash flow from operations before change in working capital	-19 821	-28 243
Change in working capital		
Increase/decrease receivables	-49 245	865
Increase/decrease in short term liabilities	3 118	261
Total cash flow from operations	-65 949	-27 117
Cash flow used for investments		
Purchase of intangible assets	-3 129	-18 460
Sale of intangible assets	-	2 072
Purchase of tangible assets	-	63
Total cash flow used for investments	-3 129	-16 325
Financial activities		
New share issue net of transaction costs	-1 530	101 658
Transfer of paid premium related to warrants issue by the company	-	-
Raised credits	16 927	-
Amortization of debt	-224	-
Total cash flow from financial activities	15 173	101 658
Change in cash and bank	-53 905	58 216
Cash and bank at 1 January	69 193	10 977
Cash and bank at the end of reporting period	15 288	69 193
*Adjustments for non cash items		
Depreciations and impairment losses on intangible assets	130 907	125 563
Depreciations and impairment losses of tangible assets	228	666
Exchange loss	-6 856	-1 637
Reposted option	-	-510
Capital loss	-	212
Writedown of long term financial asset	-	999
Tax effect from partnership acquisition	9 700	-
Share of loss on equity accounted companies	75	-1 979
Others	-	-1 036
Total	134 054	122 278
** Financial items		
Interest income	38	605
Interest charges	-788	-252
Total financial items	-750	353

Parent company income statement

(TSEK)	Note	3 m Q4 2013	3 m Q4 2012	12 m 2013	12 m 2012
Other operating income		6	0	6	0
Other external expenses	12	-6 281	-2 095	-13 266	-7 114
Personnel expenses		-156	-1 316	-3 350	-5 117
Depreciation/impairment of tangible fixed assets	13	-100 379	0	-100 379	-10
Operating result		-106 810	-3 411	-116 989	-12 241
<i>Result from financial items</i>					
Result from participations in group companies		7 275	-149 848	7 275	-149 848
Financial revenue		33	130	38	596
Financial expenses		-561	-24	-712	-135
Total financial items		6 747	-149 742	6 601	-149 387
Result before tax		-100 063	-153 153	-110 388	-161 628
Income tax	8 	0	0	0	0
Result for the period		-100 063	-153 153	-110 388	-161 628

Balance sheet - Parent company

(TSEK)	Note	2013-12-31	2012-12-31
ASSETS			
Tangible fixed assets			
<i>Long-term financial assets</i>			
Shares in subsidiaries		97 247	102 635
Receivables from subsidiaries		65 091	121 120
Total fixed assets		162 338	223 755
Current Assets			
Other receivables		8 329	277
Receivable on Alluvia Mining Ltd	6	30 000	-
Prepaid expenses		160	210
Cash and cash equivalents		5 036	68 562
Total current assets		43 525	69 049
TOTAL ASSETS		205 863	292 804
SHAREHOLDERS EQUITY			
<i>Restricted equity</i>			
Share capital		45 437	45 437
Statutory reserve		2 300	2 300
<i>Total restricted equity</i>		<i>47 737</i>	<i>47 737</i>
<i>Non restricted equity</i>			
Share premium reserve		1 148 042	1 149 572
Retained earnings		-911 163	-749 536
Result for the period		-110 388	-161 628
<i>Total non restricted equity</i>		<i>126 491</i>	<i>238 408</i>
Total shareholders equity		174 228	286 145
Long term liabilities			
Convertible loan	10	5 000	5 000
Interest bearing long term liabilities	11,12	4 000	-
Total long term liabilities		9 000	5 000
Current liabilities			
Accounts payable		2 440	572
Short term interest free loans and borrowings	12, 14	12 927	-
Other liabilities	12, 14	4 116	48
Accrued expenses		3 152	1 039
Total current liabilities		22 635	1 659
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		205 863	292 804

Parent Company Statement of changes in equity

(TSEK)	Restricted Equity		Non restricted Equity			
	Share capital	Statutory reserve	Share premium reserves	Retained earnings	Result for the period	Total Equity
Balance at 1 January 2012	12 982	243 767	839 412	-622 515	-127 021	346 625
Transfer of prior year's net result				-127 021	127 021	0
Result for the period					-161 628	-161 628
Reallocation option premium			-510			-510
Reallocation of restricted equity to non restricted equity		-241 467	241 467			0
Transactions with shareholders:						
New share issue	32 455		82 003			114 458
Costs referable to fundraising			-12 800			-12 800
Closing balance at 31 December 2012	45 437	2 300	1 149 572	-749 536	-161 628	286 145
Balance at 1 January 2013	45 437	2 300	1 149 572	-749 536	-161 628	286 145
Transfer of prior year's net result				-161 628	161 628	0
Costs referable to fund-raising			-1530			-1 530
Result for the period					-110 388	-110 388
Closing balance at 31 December 2013	45 437	2 300	1 148 042	-911 164	-110 388	174 228

Key ratios and share data for the consolidated group

		2013	2012	2011	2010	2009
Number of outstanding shares at beginning of reporting period	Number	18 174 923	51 928 350	1 805 618 810	795 709 953	418 161 828
New share issue	Number	-	129 820 875	2 348 649 150	1 009 908 857	377 548 125
Number of outstanding shares at the end of reporting period *,**	Number	18 174 923	181 749 225	51 928 350	1 805 618 810	795 709 953
Average number of shares ***	Number	18 174 923	140 846 758	2 930 566 085	1 346 291 141	538 509 297
Operating result	TSEK	-21 991	-24 645	-62 531	-149 987	-39 190
Result after tax	TSEK	-110 088	-121 490	-185 944	-477 330	-44 858
Operating result per share	SEK	-1,21	-0,17	-0,02	-0,11	-0,07
Result after financial items per share	SEK	-8,47	-1,07	-0,19	-0,41	-0,08
Result per share after tax	SEK	-6,06	-0,86	-0,06	-0,35	-0,08
Shareholders equity per share before dilution *,**	SEK	6,87	1,34	7,61	0,22	0,37
Dividend	TSEK	-	-	-	-	-
Price per share at the end of reporting period	SEK	3,00	0,45	1,66*	0,23	0,58

* A reversed split of 1:80 was executed on the 8th of December 2011

** A reversed share split of 1:10 was conducted on December 13, 2013

*** The average number of shares during 2013 has been adjusted for the reversed split as from the beginning of the year

In calculating income per share, the average number of shares during the reporting period has been used, whereas in outstanding shares has been used.

NMG possesses none of its own shares at the end of the reporting period.

Further information regarding key ratio definitions can be obtained from the annual report for the financial year 2012.

Notes to the financial report

1. Accounting principles

This year-end report has been prepared in accordance with IAS 34 and recommendation RFR 1 of the Swedish Financial Reporting Board (RFR), and with regard to the parent company, RFR 2. The accounting principles applied correspond to those described in the 2012 Annual Report.

Effective January 1, 2013 NMG applies the following new or amended IFRSs:

IAS 19 Employment benefits
IFRS 13 Fair value management
IAS 1 Presentation of Financial Statements – Recognition of items in other comprehensive income

The new or amended IFRSs are not expected to have any material impact on the Group. Other changes are not expected to have any material impact on the Group or Parent Company's result of operations, financial position or disclosures. The Interim report does not contain all the information and disclosures available in the annual report and the interim report should be read together with the annual report for 2012.

2. Risks and Uncertainties

The operations of NMG involve certain significant risks, including but not limited to credit risk, foreign exchange risk, and political risk. For a complete discussion of the aforementioned risks, refer to the Company's 2012 annual report, which is available on the NMG website, www.ige.se (www.nickelmountain.se).

Management of NMG does not consider that any additional risk has become current since the expiration of the previous year of operation other than the increased financial risk as a

result of NMG's loss of MSEK 50 following the Ghana Gold acquisition described in note 6.

3. Financial items Group

Financial revenue (TSEK)	Group	
	2013-12-31	2012-12-31
Interests	24	556
Exchange gains	14	49
Total financial revenue	38	605
Financial expenses (TSEK)	2013-12-31	2012-12-31
Interest	-647	-3
Exchange losses	-141	-249
Total financial expenses	-788	-252

4. Depreciation and impairment

Impairment during full financial year 2013 mainly relates to diamond concessions in Africa. In addition, a claim on a defaulting drilling contractor in Kenya has been impaired during the year. After a litigation process, the contractor was declared bankrupt resulting in an impairment of NMG's claim. Total impairment therefore amounted to MSEK - 109.7 already as at June 30, 2013.

Impairment during the third quarter of 2013 was minimal, whereas it reached MSEK -21.2 in Q4 2013. Thereof MSEK -20.0 relate to the claim on Alluvia Mining.

Impairment during the comparative periods in 2012 is mainly related to the Group's withdrawal from the Angolan diamond project.

Depreciation for 12 month 2013 was MSEK 0.3 (MSEK 0.7).

5. Segment reporting

(TSEK)	Jan - Dec 2013				
	Gold	Diamonds	Nickel	Other	Total
Revenue from sales					0
Operating result before depreciation and impairment losses		-568	-4 944	-16 479	-21 991
Impairment of mineral interests	-20 000	-110 906		0	-130 906
Depreciation according to plan		-184	-43		-227
Result before tax	-20 000	-111 658	-4 987	-17 230	-153 875
Fixed assets		3 599	106 513	561	110 673
Current assets	30 000	1 287	565	16 346	48 198
Long term liabilities		931	0	9 000	9 931
Short term liabilities		0	2 902	21 254	24 156
Investments (net amounts)			3 129	0	3 129

(TSEK)	Jan - December 2012				
	Gold	Diamonds	Nickel	Other	Total
Revenue from sales	-	-	-	-	0
Operating result before depreciation and impairment losses	-	-2 469	-9 947	-12 229	-24 645
Depreciation of mineral interests	-1 351	-124 211	-	-	-125 562
Depreciation according to plan	0	-537	-119	-11	-667
Result before tax	-1 351	-127 215	-10 175	-11 780	-150 521
Fixed assets	-	114 630	104 318	611	219 559
Current assets	56	2 697	1 442	69 050	73 245
Long term liabilities	-	1 155	5 000	-	6 155
Short term liabilities	-	69	6 382	1 661	8 112
Investments (net amounts)	-	-	16 325	-	16 325

6. Receivable Alluvia Mining Ltd

Receivable Alluvia Mining is related to the proposed purchase of Ghana Gold in spring 2013. The purchase consideration was supposed to consist of a cash payment of 50 MSEK plus an additional 50 million newly issued NMG shares. A prepayment of 50 MSEK was made on the 23rd of January 2013, subject to approval by an EGM, which was held during the second quarter 2013. The EGM decision approved of the share issue, but a minority on the EGM voted against. Thereafter the EGM decision was appealed by a minority shareholder group, and was as a result declared invalid by a court ruling. The Board, at the time, made a second attempt to pass the proposed purchase on the Annual General Meeting held on the 2nd of August 2013, but the meeting voted against the proposal. According to the purchase agreement, the prepayment of 50 MSEK should be repaid immediately if a General Meeting voted against the proposed purchase. This has resulted in NMG now having a claim on the seller Alluvia Mining Ltd amounting to 50 MSEK, before interest compensation and additional claims in respect of damage caused to NMG by the transaction. The Board is currently working on getting the money refunded by Alluvia. In addition, an EGM held on November 22, 2013 cleared the way for NMG to go after the individual board members by claiming

compensation for the damage caused. A leading Swedish law firm is handling the matter. The ability of the former board members to in the end pay compensation to NMG will get evident after a potential future successful court ruling from NMG's perspective.

NMG is also potentially in possession of pledged collateral for Alluvia Mining's obligation to return the 50 MSEK prepayment. The pledge consists of a share interest in an American non-listed mineral exploration company named Advanced Mineral Technologies Inc. ("AMTO"). The American SEC, however, delisted this company, from public quotations already in early 2012. Further, it does not seem to have filed any annual reports or interim reports since 2010. In addition, AMTO seems to only have conducted limited work at its main asset, the Tillicum property, during the period of its possession of Tillicum. And lastly, there are yearly costs associated with keeping mineral licenses, and it is not certain that AMTO's licenses still are in good standing. The value of NMG's pledge is further restricted by the fact that the pledge agreement, if valid, is construed according to American Law while as the SPA-agreement regarding Ghana Gold is interpreted according to Swedish Law.

For all these reasons, NMG finds it prudent not to assign any value to the AMTO pledge for the time being.

There is, however, another element, which should be taken in to consideration when analysing the value of NMG's claim on Alluvia Mining Ltd. At the time of the Ghana Gold transaction, NMG had paid for a Board and management liability insurance. The insurer was an international insurance company. The nature of such liability insurance is that it covers the individual Board- and management members from claims up to a ceiling amount provided the damage or claim is deemed to fall within the framework of the insurance. It is therefore not the company NMG, which is insured and claims insurance compensation. The insurance coverage shall in such case be claimed by the old Board members of NMG when they potentially are ruled to be liable to pay compensation to NMG in a court process. The international insurance company has not yet accepted to be liable for paying out compensation. The legal advisors of NMG, however, believe NMG has a good case to in the end convince the insurance company to pay out compensation to the old board members, and therefore indirectly to NMG. For prudence reasons, NMG has though, decided to write down the claim on Alluvia Mining by MSEK 20 in the last quarter of 2013. This has no implications on the legal case whatsoever.

7. Results from equity accounted participations

Result from equity accounted participations during the period is attributable to the Group's interest in Nordic Iron Ore and Tasman Metals.

8. Tax

The positive amount reported is firstly a reversal of a provision related to deferred tax liabilities. The reversal occurs as a result of impairment of the assets that the provision is related to. In addition, NMG's acquisition of the Swedish partnership mentioned in this report leads to a positive tax effect of MSEK 9.7 after transaction costs in the last quarter of 2013.

9. Provisions

Deferred tax liabilities

The recognition of carrying amount of an asset will be recovered in the form of economic benefits that flow to the entity in future periods. When the carrying amount of the asset exceeds its tax base, the amount of taxable economic benefits will exceed the amount that will be allowed as a deduction for tax purposes. This difference is a temporary difference and the obligation to pay the resulting income taxes in future periods is a deferred tax liability. As the entity recovers the carrying amount of the asset, the taxable temporary difference will reverse and the entity will have taxable profit. This makes it probable that economic benefits will flow from the entity in the form of tax payments.

The deferred tax liabilities are calculated as the local tax rate of each project times the surplus value referable to each acquired project. The deferred tax liabilities were removed from the group balance sheet in autumn 2013 as result of the full impairment of the diamond related assets in Africa.

Other provisions

Other Provisions in 2012 were constituted by an accrued cost related to an option vested to Mitchell River Group (MRG). If MRG would have decided to exercise the option in respect of 10% of the Rönnebäcken nickel project, this provision of 1.02 MSEK would have been deducted from the price to be paid for the project participation. Since MRG in December 2013 waived their right to exercise the option, the above provision was by year-end 2013 removed from the balance sheet of Nickel Mountain Resources.

10. Convertible loan to Norrlandsfonden

In June 2010, NMG issued a convertible loan that provided the Company with an amount of totally 5 MSEK to Norrlandsfonden, a Swedish public sector fund investing primarily in to business projects in the North of Sweden. The convertible loan was issued based on the following conditions:

- The maturity date of the convertible loan was set to August 31, 2018.
- The loan runs with an annual interest rate of STIBOR 90 (Stockholm Interbank Offering Rate) plus an interest surcharge of 4% to be paid quarterly.
- In case of conversion, the recalculated conversion rate per share will be SEK 560, which implies the conversion price is deeply out of the money.

- IGE has got the right to repay the loan in cash in advance at any time during the duration of the loan. NMG will then be forced to pay a compensation for the lost interest to Norrlandsfonden of 15% (on an annual basis) on the loan amount during the period that it has been utilised by NMG.

If fully converted the convertible loan will result in an additional 8,929 shares will be issued (a dilution of about 0.05% based on 18,174,922 shares outstanding at year-end 2013).

11. Other long-term liabilities

As a consequence of the 50 MSEK payment to Alluvia Mining in January 2013, the Group was drained of cash at the end of May and needed external funding. NMG incorrectly announced on May 27th that NMG had received partial funds from a drawdown facility by Amarant Finance. In fact, it was the former Board member Ulrik Jansson who lent 4 MSEK to NMG at the end of May 2013. The loan runs with an interest of 12 per cent per annum. The loan has duration of three years. NMG retains the right to offset this 4 MSEK loan against its claim on the former Board Members.

12. Related party transactions

NMG in January 2013 transferred 50 MSEK as a part payment in advance referable to a proposed purchase of a company called Ghana Gold AB from Alluvia Mining Ltd. Alluvia Mining at that time was a related party through its director of the Board, Terje E Lien, who also was a director of the NMG board at the time of the transfer. This transaction is described in more detail in other sections of this financial report.

Altro Invest, the single largest shareholder of NMG since August 2013, has supported NMG with a short-term loan facility during the second half of 2013. The facility was extended with a maximum amount to draw down of 4 MSEK. The interest rate is 7.5% p.a. and the loan formally expires in early May 2014. Altro Invest has declared its intention to, as soon as possible; allow conversion of the loan to equity by accepting a directed issue of shares. An EGM is being prepared for conducting said share issue, and will take place as soon as possible in early spring 2014.

14. Other liabilities

As described in note 11, a 4 MSEK loan was offered to NMG in May 2013 by the at that time former Board member Ulrik Jansson. It carries an interest rate of 12% p.a and has a term of 3 years. Mr. Jansson resigned from the Board of NMG in the end of April 2013.

In addition, the Board member Svein Breivik and Deputy Board member Erlend Henriksen offered short-term interest free loans to NMG in autumn 2013. In total NMG borrowed the equivalent of some 600 TSEK in this way via said two representatives.

During the first half of 2013, after Amarant Mining had taken over as main shareholder, and a new Board was appointed, one after the other of the old management members either left or were asked to leave. When Altro Invest and the Norwegian minority shareholders appointed a new Board of Directors on August 2, 2013, NMG was in deep crisis, without cash to pay the daily bills and without management. The newly elected Board on August 2, therefore also had to take over the executive work. One of the then appointed Board members accepted to become Acting Managing Director, but all board members and the Deputy Board member had to start working hands on to save the company. In such way, the Board members and the Deputy Board member had to do a lot of management work during the second half of 2013. For this, they have invoiced NMG for professional services over and beyond normal board duties. In total professional services amounting to some 2 200 TSEK have been invoiced to NMG up to year-end 2013 by these members.

13. Depreciation and impairment of tangible fixed assets – Parent company

The Parent Company, Nickel Mountain Group AB (NMG), finances its subsidiaries by way of lending money on current basis. As a result of the impairment of the mineral interests held by the subsidiaries, NMG has decided to align its receivables to be more in line the value of the assets in the balance sheet of the subsidiaries. This resulted in impairment in the parent company of the Group of MSEK 100.4 during the last quarter of 2013, and includes MSEK 20 in relation to the Alluvia Mining claim commented above in note 6.

The Group has during autumn 2013 received a short-term loan facility from Altro Invest AB of 4

million SEK, with an annual interest of 7.5%. Some 3.8 million SEK (MSEK) had been drawn down as of December 31st 2013. The loan expires in early May 2014, but Altro Invest has declared that it intends to allow for a set-off of the loan for new shares in NMG during spring 2014 if and when an EGM approving of such transaction can be conducted.

15. Discontinued operations

An Extraordinary Shareholders meeting (EGM) held on November 22, 2013 approved a proposal by the Board of Directors to separate all remaining African assets held by the group, and to give the shareholders pro rata rights to receive said assets. The legal advisors of the parent company are preparing this. It will entail that a new decision is approved by an additional EGM. As described in other sections of this report, a new parent company for the African operations has been incorporated and named African Diamond AB (ADIAM). The assets of interest will be transferred to ADIAM and then the plan is to distribute ADIAM shares on a 1:1 basis in proportion to the number of parent company shares held on the record date to be determined.

The African assets accounted for a net result after depreciation and impairment on group level of MSEK –129.6 during financial year 2013. In the group balance sheet, the African assets were for prudence reasons impaired to 0 as at December 31, 2013.

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