



**3 month interim report for
the period January –
March 2014
- Nickel Mountain
Group (publ) AB**

Highlights during the 1st quarter 2014

- Work continued on the Rönnsbäcken project's Pre-feasibility Study (PFS) during the first quarter of 2014.
- SRK Consulting completed a detailed review of the estimated costs and the timeline for completing the PFS.
- New management of Nickel Mountain Group (NMG), including a new Managing Director, was in place on January 1.
- A debt set-off issue amounting to Swedish Krone 11.8 million (MSEK) was conducted at the end of January 2014, whereby 3,052,799 new shares were issued.
- A legal process for suing the people responsible for the negative consequences of the Ghana Gold-transaction has been prepared by a leading Swedish law firm on behalf of NMG and will shortly be filed with the Stockholm District Court.
- The net result after tax for the January to March quarter of 2014 attributable to the shareholders of the parent company amounted to MSEK –6.9 (MSEK – 6.0). This corresponds to earnings per share (EPS) of SEK –0.34 (SEK – 0.33).
- The total comprehensive loss for the first quarter of 2014 was MSEK –7.0 (MSEK –8.8).

Events after the end of the reporting period

- An Extraordinary General Meeting (EGM) was conducted on May 8, 2014. Another debt conversion share issue amounting to MSEK 5.6 was approved and as a consequence 1,474,619 new shares were issued for an issue price of SEK 3.80 per share. The registration of the issue is estimated to occur in the next few days. A prospectus relating to the issue has been approved today by the Swedish FSA, and has been published at the Company's website.
- The EGM approved separation of subsidiary African Diamond AB (ADIAM) by way of a free distribution of all of the shares to existing shareholders of NMG in the ratio of 1 ADIAM share for 1 NMG share. The record date has by the Board of Directors been set for June 4, 2014. Last day of trading of the NMG share including the right to the dividend is Friday, May 30.
- The Annual General Meeting (AGM) of NMG is to be convened June 4, 2014 at the Rica Hotel in Stockholm beginning at 15.00 in the afternoon.
- The nomination committee on May 26 published its proposal for a new Board of Directors for election at the upcoming AGM.
- The Indonesian export ban on raw materials including non-processed nickel ores introduced in January this year had a beneficial impact on the global nickel price. Further, Russia's relatively aggressive policy towards the Ukraine has had a similar effect. The nickel price has risen by close to 60% since the beginning of the year.
- The Vapsten Reindeer Herding Co-operative in Northern Sweden, the major opponent of the Rönnsbäcken Nickel Project, has been granted

the opportunity to attend a session of the Supreme Administrative Court in Sweden (Högsta Förvaltningsdomstolen) , in which the Government's decision not to re-consider the granting of three exploitation licenses to Nickel Mountain Group will undergo a judicial review. This session is to be held in the middle of June 2014 in Stockholm. The Court's considerations will be made public later in the summer of 2014.

- The financial and liquidity situation of the group is rather critical, and the Board and management are investigating ways of attracting more external financing.

Key figures, Nickel Mountain Group

<i>SEK thousand</i>			
	Q1 2014	Q1 2013	12 m 2013
Sales	-	-	-
Other income	186	-	8
Total revenues	186	-	8
EBITDA	-2 849	-5 767	-21 437
Impairment losses and depreciation	-44	-14	-20 044
Net result attributable to shareholders of parent company	-6 912	-6 045	-110 088
Investments in period (MSEK)	2.6	1.3	3.1
Cash at end of period	7 004	7 095	15 288
Interest bearing long term debt at end of period	9 923	5 000	9 931

Background

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

The key asset of NMG is the Rönnbäcken nickel sulphide deposit located in Northern Sweden in Västerbotten county. The Rönnbäcken project was evaluated by SRK Consulting (Sweden) AB in December 2011. The resultant technical report in the form of a Preliminary Economic Assessment 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% was nickel in sulphide (Ni-AC), and an iron content

of 5.67%. Of the resource, 97% was in the Measured & Indicated categories.

NMG is involved in mineral exploration activities in a number of African countries. In order to concentrate on the Rönnbäcken Nickel Project (RNP), a decision has been taken by the EGM to separate the African assets owned by subsidiary African Diamond AB and to distribute to shareholders pro-rata free shares.

NMG is focusing on completing a Pre-feasibility Study of RNP, and in parallel, is undertaking activities towards preparation of an application for an environmental permit according to Swedish legislation.

Results, Group

The net result after tax of NMG for the 3 month period January to March 2014 amounted to MSEK -3.2 (MSEK -5.8 during the corresponding period in 2013). The net result from discontinued operations was MSEK -3.7 (MSEK -0.3).

There were no sales revenues for the reporting period (MSEK 0.0). Other operating income amounted to MSEK 0.2 for the first quarter 2014 (0), and consisted of a sale of fixed assets related to the Diamonds business segment.

Operating costs excluding depreciation and impairment from remaining operations amounted to MSEK -3.0 during the first quarter of 2014 (MSEK -5.8 in same period 2013).

Depreciation and impairment were MSEK 0 during the first three months of 2014 (0). An impairment of MSEK -3.7 (-0.1) was recorded related to discontinued operations (business segment Diamonds). Continued review of the immaterial assets in this business segment convinced the Board of Directors to carry out a write-down relating to certain mineral licenses in South Africa. The focus of the Diamonds business segment is currently on the Democratic Republic of Congo.

Nickel Mountain Group had a negative cash flow of MSEK -8.3 during the first quarter of 2014. Cash flow in the same period in 2013 was also negative and amounted to MSEK -62.1.

Cash and cash equivalents at the end of March 2014 were MSEK 7.0, compared to MSEK 7.1 at end of the first quarter of 2013.

Nickel Mountain Group's total assets at the end of March 2014 were MSEK 150.1, compared to MSEK 281.1 at the end of the same period in 2013.

Investments during the first quarter of 2014 amounted to MSEK 2.6, mainly related to the Rönnbäcken Nickel roject (MSEK 1.3).

Corporate

As is by now well-known, the 2013 financial year was extremely challenging for Nickel Mountain Group AB (previously named IGE Resources). Essentially, all liquid assets of the Group were lost in early 2013 in connection

with a proposed, but subsequently cancelled, acquisition of an African gold asset by the name of Ghana Gold AB. The lost cash in the amount of MSEK 50 has so far not been recovered despite considerable efforts. NMG, through its legal representatives, will now take legal action against the people responsible for this decision, all of whom were previous Board Directors of NMG. These liquid assets had originally been designated towards financing of the long planned Pre-feasibility Study of the Rönnbäcken Nickel Project in Northern Sweden.

During the autumn of 2013, the new Board of Directors appointed by the August AGM managed to attract more than MSEK 25 in external financing which allowed the Company to continue with its programme for evaluating its nickel project in the North of Sweden.

A new Group management, including a new Managing Director with experience from publicly listed junior mining companies in Sweden, was appointed in January 2014.

The EGM held in November 2013 decided, in principle, to separate the Diamonds business segment and its African assets from the rest of the group. Greater detail is provided in the section discussing the Diamonds business segment. This is a relatively complicated undertaking due to financial, legal and tax issues. In the EGM of NMG held in early May 2014, approval was given for separation of the Diamonds business through a free distribution of ADIAM shares to existing shareholders of NMG. The resolution implies that wholly owned subsidiary African Diamond AB will be distributed pro-rata to the shareholders of NMG in a share ratio of 1:1. The EGM authorized the Board of Directors of NMG to decide on a record date for the distribution.

The 2014 AGM is to be convened on June 4 in Stockholm. The Company's auditor has recommended to shareholders that previous Board members should not be discharged from responsibility for the catastrophic Ghana Gold-transaction and for the resultant liability incurred during financial year 2013. A new Board of Directors has been proposed for election at the AGM, as described in the next heading.

Board nomination committee

The Board Nomination Committee consists of the Chairman of the Board, Mr. Stefan Persson; Mr. Håkan Eriksson a representative

of the Company's main shareholder Altro Invest; and Mr. Erlend Dunér Henriksen. Mr. Henriksen represents Norwegian Aroma Holding and a number of other minority shareholders, and is presently a Deputy Board member of NMG. The committee can be reached via email at «valberedning@nickelmountain.se», and has held a number of meetings prior to the upcoming AGM. The Board Nomination Committee has prepared recommendations for a new Board of Directors. The committee on May 26, 2014 proposed that the new board shall consist of four directors and one deputy director. Mr. Rikard Ehnsjö is proposed to be elected Chairman of the Board with Frank Dinhoff Pedersen, Bjorn Rohdin and Svein Breivik as ordinary directors. Mr. Erlend Dunér Henriksen is proposed to remain deputy director of the board. The complete proposal by the Nomination Committee is available on the website www.nickelmountain.se.

Operations; nickel

The Company is now focused on 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 that consultations be held with affected authorities and stakeholders.

SRK Consulting (Sweden) AB (SRK) has during the first quarter of this year conducted a review of the remaining project tasks and the time needed to complete the PFS work. Their estimate is that remaining work will require 18 months to complete given stable financing (see also below). The total cost for completion of the PFS was estimated at MSEK 62 including contingency, which is lower than previous estimated due to a lower needed volume of infill drilling. This estimate excludes corporate administration costs of NMG.

Three exploration permits in the Rönnebäcken area approaching expiration were extended by the Swedish Mining Inspectorate following NMG's applications earlier in 2013.

In December 2013, NMG approved a 2014 work program for RNP (Rönnebäcken nickel project) mainly related to the planned PFS being coordinated by SRK. The main

components of the approved work program are as follows:

Re-logging of project drill core

The first part of the work program revolves around re-logging of all drill cores from RNP amounting to 29,000 metres. The aim of the re-logging program is to gather further information about the lithologies of the deposits and to gather additional data such as; hardness of the rocks, additional mineralogy, vein frequency and composition, as well as gaining a better understanding of the overall geology. This work program was initiated in early 2014 and is planned to be completed during the summer of 2014. As of the middle of May 2014, more than half of the programme has been completed. It is yet too early to present any final conclusions, but the NMG geology team considers that the geologic understanding of the project is greatly improved. The different core sections demonstrate a clear geological continuity and often a predictable stratigraphy as well. This is key knowledge to be used in geometallurgical domain modelling which will be an integral part of the PFS.

Ore processing test work

As demonstrated in previous tests, the ore beneficiation process involving crushing and milling followed by flotation, yield good recoveries and a high grade nickel concentrate. Currently NMG is conducting another round of flotation trials in order to explore whether two-stage milling and pH neutral flotation can provide similar or even better recoveries, but with lower operating costs. These trials are ongoing at the Outotec Research Centre in Finland and are being coordinated by Eurus Mineral Consultants (EMC) and NMG staff. The first test data indicate that it is possible to do at least parts of the flotation at natural pH with limited effect on the flotation recoveries

Long-term testing of tailings and waste rock from Rönnebäcken

NMG is continuously focused on the environmental aspects of a future nickel mine. One important environmental aspect is the long-term behaviour of the resultant tailings and waste rock from nickel production. NMG has contracted international consultancy Golder Associates to conduct long-term trials of the Rönnebäcken waste rock and tailings. Golder will monitor a number of parameters from an initial batch of four samples of waste from various parts of RNP and two samples of tailings, one from each of the Rönnebäcknäset

and Sundsberget deposits. No results are yet available but NMG anticipates that the bulk of the tests will be finalized by Q4 2014.

PFS planning phase

A fourth major component of the approved 2014 work program is the planning of the PFS program described above. SRK has completed a scoping study for a detailed PFS program delineating cost estimates and a corresponding timeline. In the study SRK concludes that "The resultant schedule and budget provide a framework for management of the PFS going forward and should allow NMG to adjust the work programme as funds become available. The current schedule reflects an overall timeline of 18 months given stable financing at a total cost of SEK 62 million.

Position of Vapsten Reindeer Herding Co-operative ("Vapsten")

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

However, Vapsten continued to defend its own interests, and on November 21, 2013, they petitioned to the Supreme Administrative Court (SAC) in Sweden for a judicial review of the Swedish Government's decision to dismiss Vapsten's appeals. This judicial review will be held in the middle of June in Stockholm. The implication of the judicial review, according to NMG's understanding, is not that the SAC will take a decision on the substance of the matter, but rather that it will review whether or not the Swedish Government has correctly followed the procedural requirements when it ruled that the exploitation concessions had been granted correctly. The final ruling of the SAC can therefore be only one of two – either to confirm that the Government's decision was correctly taken or otherwise to repeal it, which implies that the Government gets asked to conduct its review once more.

As an additional move, Vapsten submitted a complaint to the UN Committee on the Elimination of Racial Discrimination (CERD). In the complaint, Vapsten 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 resulted in the judicial review scheduled for the middle of June this year.

The Swedish Government responded to CERD on January 22, 2014, stating that it believes CERD should reject the complaint from Vapsten because the Supreme Administrative Court in Sweden has not yet done the 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 as described above.

Operations; diamonds

The first quarter's operations within the diamond segment of the Group have been characterized by preparatory work related to the spin-off of the diamond assets within the Group to existing shareholders of Nickel Mountain Group AB. A new wholly owned entity was incorporated by Nickel Mountain Group in February 2014 named African Diamond AB. All relevant assets within the Group related to the diamond segment have been transferred to this new company in order to prepare the separation of the nickel and the diamond operations according to what has previously been communicated. The decision to distribute the diamond subsidiary was made on May 8, 2014, at an EGM held after the end of the reporting period. The record date for the shareholders entitled to receive shares under the decision will be communicated by the Board as soon as it is decided. The distribution of the shares is planned to be followed in due course by a separate listing of African Diamond AB's shares on a suitable small stock exchange list in Sweden or Norway. The book value of African Diamond AB was limited at MSEK 0.56 at the end of March 2014. This corresponds to approximately SEK 0.025 per Nickel Mountain Group share given the new number of shares at end of May 2014.

Operations activities have been focused on the commencement of a small dredging operation on the Longatshimo River in Democratic Republic of Congo (DRC) within the Longatshimo license. The latter was recovered by the new management of Nickel Mountain

Group after being subject to default as a result of the former board's mismanagement. The company is targeting sales of the first small tranches of diamonds during the second quarter of 2014. In addition, during the quarter, significant work has been directed at recovering the lost machinery and equipment. Management is relatively confident that it will be able to regain legal ownership of the equipment within a short period of time.

In South Africa, the company is in continuous discussions with several interested parties with regard to a potential outright sale or joint venture related to the South African diamond concessions held by the Group. The Company will update the market on a current basis on any progress made in this regard. For reasons of prudence, these remaining licenses in South Africa were impaired to zero in the external accounts as at end of the reporting period.

Management of the diamond subsidiary has managed to achieve substantial progress with small means and has, based on its conviction, managed to recover much of what was lost during 2013, mainly due to good relationships with the local partners and people involved in the diamond projects.

Events after the end of the reporting period

Summary of events:

- An EGM was conducted on May 8, 2014. Another debt conversion share issue amounting to MSEK 5.6 was approved and as a consequence 1,474,619 new shares were issued for an issue price of SEK 3.80 per share. As of the date of this report, this conversion share issue has not yet been registered by the Swedish Companies Registrar, but this will happen within the next few days.
- The same EGM approved the free distribution of all of the shares of subsidiary ADIAM to existing shareholders of NMG in a ratio 1:1. The record date has by the Board of Directors been set for June 4, 2014. Last day of trading of the NMG share including the right to the dividend is May 30.
- The AGM of NMG is to be convened June 4 at the Rica Hotel in Stockholm

city beginning at 15.00 in the afternoon.

- The nomination committee on May 26 published its proposal for a new Board of Directors for election at the upcoming AGM. It is available at www.nickelmountain.se.
- The Indonesian export ban on raw materials including non-processed nickel ores introduced in January this year had a beneficial impact on the global nickel price. Further, Russia's aggressive policy towards Ukraine seems to have had a similar effect, and the nickel price is up by close to 60% since the beginning of January 2014.
- The Vapsten Reindeer Herding Co-operative in Northern Sweden, the major opponent of RNP, has been granted the opportunity to attend a session of the Supreme Administrative Court in Sweden (Högsta Förvaltningsdomstolen) where the Government's decision not to reconsider the granting of three exploitation licenses to Nickel Mountain Group will undergo judicial review. This session will be held in the middle of June 2014 in Stockholm. The Court's considerations will be made public later in summer 2014.
- The financial and liquidity situation of the group is rather critical, and the Board and management are investigating ways of attracting more external financing.

Financial position

Cash and cash equivalents at the end of the first quarter 2014 amounted to MSEK 7.0, compared to MSEK 7.1 at the end of the first quarter 2013. Total equity at the end of the reporting period was MSEK 129.5 (MSEK 234.6 at end of the corresponding period in 2013), representing an equity ratio of 86 per cent (83 per cent at the end of first quarter of 2013).

The Company's interest bearing long-term debt as at end of March 2014 amounted to MSEK 9, which was included an MSEK 5 convertible loan, granted by Norrlandsfonden in 2010 for the development of Rönnbäcken nickel project. This loan matures in August 2018 and carries an interest rate component of STIBOR + 4 per cent annually. It is described more in detail in note 7 to this report. In addition, there was an MSEK 4 unsecured loan

for working capital purposes extended in May 2013 by Mr. Ulrik Jansson, the former Chairman of NMG. This loan has a 3-year term and carries an interest rate of 12 per cent annually. It is also described more in detail in note 8.

Short-term loans and other short term liabilities at the end of March 2014 amounted to MSEK 5.5 (MSEK 0.2). This represents a reduction from year end 2013 and is due to a MSEK 11.8 debt conversion for newly issued NMG shares carried out in late January 2014. Essentially all existing short-term loans were converted for new shares in May 2014, after the end of the reporting period.

Group outlook

The financial situation of the Group has been very strained since the beginning of 2013 when the Group was deprived of MSEK 50 of liquid assets in the disputed Ghana Gold-transaction, which was subsequently invalidated by the Swedish courts. The new Board appointed at the August 2013 AGM during the autumn of 2013 took measures to stabilize the situation.

As a company active with mineral exploration and project evaluation, NMG has no sales revenues. Therefore, the Company is in need of regular external financing in order to maintain its business. During the first part of 2014, the Board and management of NMG have continued their efforts to secure more financing in parallel with the process of trying to reclaim the funds transferred to Alluvia Mining Ltd and receive 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. The documentation of this civil case is being finalized, and is planned to be filed with the Stockholm District court very shortly. The financial and liquidity situation of the group is therefore rather critical for the moment as described in previous reports. There is not enough liquidity for financing the operations during the second half of the year in the absence of more external financing, but the Board and management are in intensive discussions regarding certain solutions to the situation. There are reasonable chances of these discussions leading to a positive result, and/or a bridge loan may be a temporary solution to the

financing issue over the coming critical months, but in the absence of progress the Company may face a liquidity squeeze in the summer months.

Parent company

The Parent Company's business activity is to manage the Group's operations. The result after tax during first quarter of 2014 amounted to MSEK -2.8 (MSEK -4.2 in Q1 2013).

Cash and cash equivalents in the Parent Company amounted to MSEK 1.7 at the end of March 2014 (MSEK 6.4).

Employees

At the end of March 2014, NMG had four employees, two men and two women.

The NMG share

There were 18,174,922 shares outstanding as at January 1, 2014 following a reversed share split 10:1 conducted in December 2013. Par value per share was by year-end 2013 still SEK 2.50. However, an EGM 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 was finally registered by end of first quarter of 2014.

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, 3,052,799 shares were issued in a debt conversion transaction at end of January 2014. In that context, some MSEK 11.8 of short term loans were converted. Thereafter there were 21,227,721 shares outstanding.

After the end of the reporting period, another EGM was held on May 8, 2014. On this occasion, another MSEK 5.6 of short term loans were converted for newly issued shares. In total 1,474,619 new shares were issued as a result of the transaction. As of the date of this report, the registration of the most recent share issue is still in process at the Swedish

Companies Registrar ("Bolagsverket). After such registration, the total number of shares in the Company will amount to 22,702,340. The share capital will be SEK 11,351,170.

Reporting dates in 2014

June 4 - Annual General Meeting in Stockholm

August 28 – Interim Report for 6 months
Jan – June 2014

November 27 – Interim Report for 9 months
Jan – Sept 2014

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

Stockholm, May 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

		3 m	3 m	12 m
(TSEK)	Note	Jan - March 2014	Jan - March 2013	Jan - Dec 2013
Other operating income		186	-	8
Other external expenses		-2 840	-2 344	-14 812
Personnel expenses		-195	-3 348	-6 558
Results from equity accounted participations		-	-75	-75
Operating result before depreciation and impairment losses	11	-2 849	-5 767	-21 437
Depreciation/amortization and impairment loss on tangible, intangible and financial fixed assets	4,11	-44	-14	-20 044
Financial revenue	3	8	7	38
Financial expenses	3	-330	-5	-788
Total financial items		-322	2	-750
Result before tax	11	-3 215	-5 779	-42 231
Income tax		-	-	9 599
Result for the period from remaining operations		-3 215	-5 779	-32 632
Loss from discontinued operations	11	-3 714	-272	-77 557
Result for the period		-6 929	-6 051	-110 189
<i>Result for the period attributable to:</i>				
Equity holders of the Parent Company		-6 912	-6 045	-110 088
Non controlling interest		-17	-6	-101
Result for the period		-6 929	-6 051	-110 189
Result per share before and after dilution		-0,34	-0,33	-6,06
Average number of shares (Millions) *)		20,3	18,2	18,2

Consolidated Statement of comprehensive loss

TSEK	Jan - March 2014	Jan - March 2013	Jan - Dec 2013
Result for the period	-6 929	-6 051	-110 088
<i>Other comprehensive income</i>			
Foreign currency translation differences - foreign operations	-37	-2 782	-6 856
Total other comprehensive income	-6 966	-8 833	-116 944
<i>Total comprehensive income for the period attributable to:</i>			
Equity holders of the Parent Company	-6 949	-8 827	-116 843
Non controlling interest	-17	-6	-101

Consolidated statement of financial position

(TSEK)	Note	2014-03-31	2013-03-31	2013-12-31
ASSETS				
Fixed assets				
<i>Intangible fixed assets</i>				
Mineral interests		108 392	219 417	110 113
<i>Tangible fixed assets</i>				
Plant and machinery		662	487	246
<i>Long-term financial assets</i>				
Participation in equity accounted companies		372	359	283
Claim on Alluvia Mining	6	30 000	-	30 000
Long-term receivables		192	31	31
Total fixed assets		139 618	220 294	140 673
Current Assets				
Client receivables			46	-
Other receivables		3 204	53 043	2 702
Prepaid expenses		255	619	208
Cash and cash equivalents		7 004	7 095	15 288
Total current assets		10 463	60 803	18 198
TOTAL ASSETS		150 081	281 097	158 871
EQUITY				
<i>Equity attributable to equity holders of the parent company</i>				
Share capital		10 614	45 437	45 437
Other paid in capital		1 220 710	1 175 737	1 174 207
Reserves		1 044	5 156	1 081
Retained earnings and profit for the period		-1 102 933	-991 905	-1 096 021
		129 435	234 425	124 704
Non controlling interest		63	175	80
Total equity		129 498	234 600	124 784
Long term Liabilities				
Deferred tax liabilities		-	34 087	-
Other provisions		-	1 018	-
<i>Long term liabilities</i>				
Convertible loan	7	5 000	5 000	5 000
Other long term liabilities	8	4 923	1 059	4 931
Total long term liabilities		9 923	41 164	9 931
<i>Current liabilities</i>				
Accounts payable		2 683	2 036	2 925
Short term interest free loans and borrowings	9	1 121	237	12 927
Other liabilities	9,10	4 339	-	4 458
Accrued expenses and prepaid income		2 517	3 060	3 846
Total current liabilities		10 660	5 333	24 156
TOTAL EQUITY AND LIABILITIES		150 081	281 097	158 871
<i>Pledged assets</i>		31	10 990	31

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 2013	45 437	1 175 737	7 937	-985 860	243 251	181	243 432
Net result for the period				-6 045	-6 045	-6	-6 051
Other comprehensive income:							
Costs referable to fund-raising							
Other transactions							
Translation reserve			-2 781		-2 781		-2 781
Closing balance at 31 March 2013	45 437	1 175 737	5 156	-991 905	234 425	175	234 600
Balance at April 1 2013	45 437	1 175 737	5 156	-991 905	234 425	175	234 600
Net result for the period				-104 043	-104 043	-95	-104 138
Other comprehensive income:							
Costs referable to fund-raising		-1 530			-1 530		-1 530
Other transactions				-73	-73		-73
Translation reserve			-4 075		-4 075		-4 075
Closing balance at 31 December 2013	45 437	1 174 207	1 081	-1 096 021	128 779	80	128 859
Balance at 1 January 2014	45 437	1 174 207	1 081	-1 096 021	124 704	80	124 784
Net result for the period				-6 912	-6 912	-17	-6 929
Other comprehensive income:					0		0
Costs referable to fund-raising		-126			-126		-126
Set-off issue	1 526	10 280			11 806		11 806
Other transactions	-36 349	36 349			0		0
Share capital reduction					0		0
Translation reserve			-37		-37		-37
Closing balance at 31 March 2014	10 614	1 220 710	1 044	-1 102 933	129 435	63	129 498

Consolidated statement of cash flow

(TSEK)	Note	3 m Jan - March 2014	3 m Jan - March 2013	12 m Jan-Dec 2013
Cash flow from operations				
Result after financial items **		-6 929	-6 051	-153 875
Adjustments for non cash items*		3 716	-2 625	3 716
Income tax paid		-	-	-
Total cash flow from operations before change in working capital		-3 212	-8 676	-150 159
Change in working capital				
Increase/decrease receivables		-625	-49 285	-49 245
Increase/decrease in short term liabilities ***)		-13 496	-2 779	3 118
Total cash flow from operations		-17 333	-60 740	-196 286
Cash flow used for investments				
Purchase of tangible and intangible assets	11	-2 449	-1 298	-3 129
Sale of intangible assets		-	37	-
Purchase of financial fixed assets		-161	-	-
Acquisition of shares in associated companies		-14	-	-
Total cash flow used for investments		-2 623	-1 261	-3 129
Financial activities				
New share issue net of transaction costs ***)		11 681	-	-1 530
Raised credits		-	-	16 927
Amortization of debt		-7	-96	-224
Total cash flow from financial activities		11 673	-96	15 173
Change in cash and bank		-8 284	-62 097	-55 920
Cash and bank at 1 January		15 288	69 193	69 193
Cash and bank at the end of reporting period		7 004	7 096	13 273
*Adjustments for non cash items				
Depreciation and impairment losses on intangible assets		3 487	-	130 907
Depreciation and impairment losses of tangible assets		267	81	228
Exchange loss		-38	-2 782	-6 856
Tax effect from partnership acquisition		-	-	9 700
Share of loss on equity accounted companies		-	75	75
Total		3 716	-2 626	134 054
** Financial items				
Interest income		8	7	38
Interest charges		-330	-5	-788
Total financial items		-322	2	-750

***) The MSEK 11.7 new share issue is a set-off issue whereby short term loans were set off for new shares.

Consequently no cash component exchanged hands at this occasion but equity was increased and short term loans reduced.

Parent company income statement

(TSEK)	Note	3 m	3 m	12 m
		Jan - March 2014	Jan - March 2013	Jan - Dec 2013
Other operating income		-	-	6
Other external expenses		-2 582	-1 920	-13 266
Personnel expenses		130	-2 273	-3 350
Depreciation/impairment of financial fixed assets	4	-	-	-100 379
Operating result		-2 452	-4 193	-116 989
<i>Result from financial items</i>				
Result from participations in group companies		-	-	7 275
Financial revenue	3	2	7	38
Financial expenses	3	-328	-2	-712
Total financial items		-326	5	6 601
Result before tax		-2 778	-4 188	-110 388
Income tax		0	0	0
Result for the period		-2 778	-4 188	-110 388

Balance sheet - Parent company

(TSEK)	Note	2014-03-31	2013-03-31	2013-12-31
ASSETS				
Tangible fixed assets				
<i>Long-term financial assets</i>				
Receivable on Alluvia Mining Ltd	6	30 000	-	30 000
Shares in subsidiaries		97 747	102 635	97 247
Receivables from subsidiaries		71 071	130 617	65 091
Total fixed assets		198 818	233 252	192 338
Current Assets				
Other receivables		760	50 239	8 329
Prepaid expenses		22	296	160
Cash and cash equivalents		1 748	6 384	5 036
Total current assets		2 530	56 919	13 525
TOTAL ASSETS		201 348	290 171	175 863
SHAREHOLDERS EQUITY				
<i>Restricted equity</i>				
Share capital		10 614	45 437	45 437
Statutory reserve		2 300	2 300	2 300
<i>Total restricted equity</i>		<i>12 914</i>	<i>47 737</i>	<i>47 737</i>
<i>Non restricted equity</i>				
Share premium reserve		1 194 671	1 149 572	1 148 042
Retained earnings		-1 021 452	-911 163	-911 163
Result for the period		-2 778	-4 188	-110 388
<i>Total non restricted equity</i>		<i>170 441</i>	<i>234 221</i>	<i>126 491</i>
Total shareholders equity		183 355	281 958	174 228
Long term liabilities				
Convertible loan	7	5 000	5 000	5 000
Interest bearing long term liabilities	8	4 000	-	4 000
Total long term liabilities		9 000	5 000	9 000
Current liabilities				
Accounts payable		1 971	918	2 440
Short term interest free loans and borrowings	9	1 121	77	12 927
Other liabilities	9,10	4 307	-	4 116
Accrued expenses		1 594	2 219	3 152
Total current liabilities		8 993	3 214	22 635
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		201 348	290 171	205 863
Pledget assets		-	-	-
Contingent liabilities		-	-	-

Parent Company Statement of changes in equity						
(TSEK)	Restricted Equity		Non restricted Equity			
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Result for the period	Total Equity
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
Result for the period					-4 188	-4 188
Closing balance at 31 March 2013	45 437	2 300	1 149 572	-911 164	-4 188	281 958
Balance at 1 April 2013	45 437	2 300	1 149 572	-911 164	-4 188	281 958
Costs referable to fund-raising			-1 530			-1 530
Result for the period					-106 200	-106 200
Closing balance at 31 December 2013	45 437	2 300	1 148 042	-911 164	-110 388	174 228
Balance at 1 January 2014	45 437	2 300	1 148 042	-911 164	-110 388	174 228
Transfer of prior year's net result				-110 388	110 388	0
Set-off issue	1 526		10 280			11 806
Share capital reduction	-36 349		36 349			0
Costs referable to fund-raising				-126		-126
Other transactions				225		225
Result for the period					-2 778	-2 778
Closing balance at 31 March 2014	10 614	2 300	1 194 671	-1 021 453	-2 778	183 355

Key ratios and share data for the consolidated group		31/3/2014	31/3/2013	2013	2012	2011	2010
Number of outstanding shares at beginning of reporting period	Number	18 174 923	181 749 225	18 174 923	51 928 350	1 805 618 810	795 709 953
New share issue	Number	3 052 799	-	-	129 820 875	2 348 649 150	1 009 908 857
Number of outstanding shares at the end of reporting period *,**	Number	21 227 721	181 749 225	18 174 923	181 749 225	51 928 350	1 805 618 810
Average number of shares ***	Number	20 311 881	181 749 225	18 174 923	140 846 758	2 930 566 085	1 346 291 141
Operating result	TSEK	-2 849	-5 972	-21 991	-24 645	-62 531	-149 987
Result after tax	TSEK	-6 912	-6 045	-110 088	-121 490	-185 944	-477 330
Operating result per share	SEK	-0,14	-0,03	-1,21	-0,17	-0,02	-0,11
Result after financial items per share	SEK	-0,34	-0,03	-8,35	-1,07	-0,19	-0,41
Result per share after tax	SEK	-0,34	-0,03	-6,06	-0,86	-0,06	-0,35
Shareholders equity per share before dilution *,**	SEK	6,38	1,29	6,87	0,00	7,61	0,22
Dividend	TSEK	-	-	-	-	-	-
Price per share at the end of reporting period	NOK	2,44	0,43	3,00 **	0,45	1,66*	0,23

* 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 the 12 m period 2013 has been adjusted for the reversed split as from the beginning of the year, but the average number of shares for the 1st quarter of 2013 has not been adjusted for this reversed share split.

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

NMG possessed 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 2013.

Notes to the financial report

1. Accounting principles

This interim report has been prepared in accordance with IAS 34 and recommendation RFR 1 of the Swedish Financial Reporting Board (RFR), and recommendation RFR 2 with regard to the Parent Company. The accounting principles applied correspond to those described in the Annual Report for the Financial Year 2013.

Effective January 1, 2014, NMG applied the following new or amended IFRS's: IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements shall be applied, as of 1 January 2014 and are described in NMG's 2013 Annual Report. They have had no effect on the accounts. The accounting principles and calculation methods applied and utilised have otherwise remained unchanged from those applied in the Annual Report for the Financial Year 2013.

The new or amended IFRS's 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. This interim report does not contain all of the information and disclosures available in the annual report and the interim report should be read together with the annual report for 2013.

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 Annual Report for the Financial Year 2013, which is available on the NMG website, (www.nickelmountain.se).

Management and the Board of Directors are, as described repeatedly in previous interim reports and in the recently issued Annual

Report for Financial Year 2013, working on finding a solution to the financial situation of the Group following the disastrous Ghana Gold-transaction a year ago when all of the liquid assets of the Group were lost. This has created significant disturbance to management and implies that ever since the beginning of 2013 there has not existed enough liquid assets to allow the Company and Group to have stable financing for the upcoming 12-month period. This continues to be the case, and hence the financial risk of the Group is at an elevated level.

3. Financial items Group

Financial revenue (TSEK)	Group		
	2014-03-31	2013-03-31	2013-12-31
Interests	6	-	24
Exchange gains	2	7	14
Total financial revenue	8	7	38

Financial expenses (TSEK)	2014-03-31	2013-03-31	2013-12-31
Interest	-293	-3	-647
Exchange losses	-37	-2	-141
Total financial expenses	-330	-5	-788

4. Depreciation and impairment

Impairment during the first quarter of 2014 relates to diamond concessions held in South Africa. Impairments during the corresponding period in 2013 were limited. The greater part of the write-downs of immaterial assets in 2013 took place after the end of March 2013.

Depreciation for the 3-month period January to March of 2014 was TSEK 267 (TSEK 81).

5. Segment reporting

(TSEK)	Jan - March 2013					
	Gold	Nickel	Other	Total remaining	Discontinued operations	Total
				operations	Diamonds	
Revenue from sales	-	-	-	-	-	-
Operating result before depreciation and impairment losses	-	-1 575	-4 192	-5 767	-205	-5 972
Impairment of mineral interests and claim	-	-	-	-	-	0
Depreciation according to plan	-	-14	-	-14	-67	-81
Result before tax	-	-1 589	-4 190	-5 779	-272	-6 051
Fixed assets	-	106 139	-	106 139	114 155	220 294
Current assets	50 062	1 231	6 919	58 212	2 591	60 803
Long term liabilities	-	5 000	-	5 000	1 059	6 059
Short term liabilities	-	2 036	3 215	5 251	82	5 333
Investments (gross amounts)	-	1 298	-	1 298	-	1 298

(TSEK)	Jan - March 2014					
	Gold	Nickel	Other	Total remaining	Discontinued operations	Total
				operations	Diamonds	
Revenue from sales	-	-	186	186	-	186
Operating result before depreciation and impairment losses	-	-515	-2 330	-2 845	-4	-2 849
Impairment of mineral interests	-	-	-	0	-3 487	-3 487
Depreciation according to plan	-	-43	-	-43	-224	-267
Result before tax	-	-554	-2 661	-3 215	-3 714	-6 929
Fixed assets	30 000	109 444	174	139 618	-	139 618
Current assets	-	2 724	6 529	9 253	1 210	10 463
Long term liabilities	-	923	9 000	9 923	-	9 923
Short term liabilities	-	1 444	8 992	10 436	224	10 660
Investments (gross amounts)	-	2 623	-	2 623	-	2 623

6. Receivable Alluvia Mining Ltd

Receivable Alluvia Mining is related to the proposed purchase of Ghana Gold in the spring of 2013. The purchase consideration was supposed to consist of a cash payment of MSEK 50 plus an additional 50 million newly issued NMG shares. A prepayment of MSEK 50 was made on the January 23, 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 at the EGM voted against it. Thereafter the EGM decision was appealed by a minority shareholder group, and as a result was declared invalid by a court ruling. The Board, at the time, made a second attempt to pass the proposed purchase at the Annual General Meeting held August 2, 2013, but the meeting voted against the proposal. According to the purchase agreement, the pre-payment of MSEK 50 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 MSEK 50, 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 pay compensation to NMG will become evident following a potential future successful court ruling from NMG's perspective. The law firm engaged by NMG is finalising the civil case, which is expected to be filed with the Stockholm District Court within a short period of time.

NMG is also potentially in possession of pledged collateral for Alluvia Mining's obligation to return the MSEK 50 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 early in 2012. Furthermore, it does not seem to have filed any annual reports

or interim reports since 2010. In addition, AMTO appears to have conducted limited work at its main asset, the Tillicum property, during its possession of Tillicum. Lastly, there are yearly costs associated with keeping mineral licenses, and it is not certain that AMTO's licenses 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 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 can in such case be claimed by the old Board members of NMG should they potentially be ruled as being liable to pay compensation to NMG in a court process. The international insurance company has not yet accepted as being liable for paying out compensation. The legal advisors of NMG believe NMG has a good case for convincing the insurance company to pay out compensation to the old board members, and therefore indirectly to NMG. For prudence reasons, NMG has decided to write down the claim on Alluvia Mining by MSEK 20 in the last quarter of 2013. This has no implication on the legal case whatsoever.

7. Convertible loan to Norrlandsfonden

In June 2010, NMG issued a convertible loan that provided the Company with an amount of totally MSEK 5 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 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 would result in an additional 10,614 shares being issued (a dilution of about 0.05% based on 21,227.721,922 shares outstanding at end of March 2014). The conversion price is deeply out of the money, leading the whole convertible loan amount to being treated as a loan and not partially as equity.

8. Other long-term liabilities

As a consequence of the MSEK 50 payment to Alluvia Mining in January 2013, the Group was drained of cash at the end of May 2013, creating the need for external funding. At the time, former Board member Ulrik Jansson lent MSEK 4 to NMG. The loan carries an interest of 12 per cent per annum for a duration of three years. NMG retains the right to offset this MSEK 4 loan against its claim on the former Board Members.

9. Related party transactions

No particular related party transactions took place in the first quarter of 2014. However, after the end of the reporting period, at an EGM conducted on May 8, 2014, short-term loans from related parties in an amount of MSEK 5.6 were converted for newly issued shares in accordance with plans announced in the autumn of 2013. In total, 1,474,619 new shares were issued for an issue price of SEK 3.80 per share, which was significantly above the market price of the shares at that point in time.

10. Other liabilities

Other short-term liabilities consist mainly of a MSEK 4 loan provided to NMG in the autumn of 2013 by main shareholder Altro Invest AB with an annual interest of 7.5%. This loan was converted to new shares in NMG in May 2014 after the end of the reporting period. See also above.

11. Discontinued operations

An Extraordinary Shareholders meeting (EGM) held on November 22, 2013, approved in principle 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. During the first quarter of 2014, a new company for holding the African operations was incorporated and named African Diamond AB (ADIAM). The relevant assets in Africa have been transferred to ADIAM. Following a second resolution at the EGM held on May 8, 2014, the ADIAM shares are to be distributed to shareholders as a dividend on a 1:1 basis in proportion to the number of Parent Company shares held on the record date to be determined by the Board of Directors.

The following income statement shows the the income and costs referable to the African operations.

These amounts have been excluded from the consolidated statement of loss for the group

(TSEK)	3 m Jan - March 2014	3 m Jan - March 2013	12 m Jan - Dec 2013
Other operating income	-	-	-
Other external expenses	-4	-33	-96
Personnel expenses	0	-172	-458
Depreciation/impairment of fixed assets	-3 710	-67	-111 090
Operating result	-3 714	-272	-111 644
<i>Result from financial items</i>			
Financial revenue	-	-	-
Financial expenses	-	-	-
Total financial items	-	-	-
Result before tax	-3 714	-272	-111 644
Income tax	-	-	34 087
Loss from discontinued operations	-3 714	-272	-77 557

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