



Interim financial report for the three month period January 1 – March 31, 2015 (Quarter 1, 2015)

Highlights during the report period

- The work on the Pre-feasibility study ("PFS") relating to the Rönnebäcken nickel project ("RNP") continued during the first quarter of 2015 with a focus on environmental tests and the magnetite by-product.
- NMG submitted a statement to a local court in Northern Sweden, which reviewed an appeal against a prolongation in 2014 of one of NMG's exploration permits.

Major events after end of the report period

- In April, after end of the report period, the first long-term environmental test of four waste rock samples from RNP was completed and reported with good results.
- A desk study on the iron oxide (magnetite by-product) was obtained from a global steel industry consultancy firm. The report recommends NMG to produce a value added product from the magnetite concentrate.
- The administrative court (Förvaltningsdomstolen) in Luleå, Sweden, has in the middle of May repealed the extension of one of the exploration permits granted to NMG.
- The Claim on Alluvia Mining was reclassified as contingent asset according to IAS 37 with effect year end 2014.

Financial results for the quarter January – March 2015

- The net result after tax for the 3-month period January – March 2015 amounted to MSEK –1.0 (MSEK -6.9). This corresponds to earnings per share (EPS) of SEK –0.01 (SEK –0.34 including discontinued operations and SEK -0.17 excluding discontinued operations).
- The total comprehensive result for first quarter of 2015 was MSEK –1.0 (MSEK –6.9).

Key figures Nickel Mountain Group

<i>SEK thousand</i>	<i>Q1 2015</i>	<i>Q1 2014</i>	<i>12 m 2014</i>
Sales	-	-	-
Other income	-	-	108
Total revenues	-	-	108
EBITDA	-1 578	-3 035	-11 046
Impairment losses and depreciation	-34	-44	-30 155
Net result attributable to shareholders of parent company	-1 029	-6 912	-45 986
Investments in period (MSEK)	0.9	2.6	5.9
Cash at end of period	57 804	7 004	61 502
Interest bearing long term debt at end of period	9 000	9 923	9 000

Background

Nickel Mountain Group AB (publ) (NMG or “Group”) is a Swedish mineral exploration and appraisal company. The Group structure consists of the Swedish parent company (NMG or “Parent Company”) which in turn owns two subsidiary companies. The shares of NMG are listed on the Oslo Stock Exchange in Norway. Ticker name is “NMG”. The number of shareholders is around 6,000.

The key asset of NMG is the Rönnebäcken nickel sulphide deposit (“RNP”) located in Northern Sweden. The Rönnebäcken resource report by SRK Consulting (Sweden) AB was updated most recently in January 2012. This report at that time demonstrated an NI 43-101 compliant resource of 668.3 million tons measured and indicated resources with an average total nickel content of 0.176% of which 0.099% is nickel in sulphide (Ni-AC), and an iron content of 5.67%. For a break-down of the resource categories, please refer to the NMG website, <http://nickelmountain.se/assets-operations/geology-and-resources/>

NMG was previously involved in mineral exploration activities in a number of African countries. In order to concentrate on RNP, a decision was taken to separate the African assets by giving a 1:1 pro rata dividend of subsidiary African Diamond AB in June 2014.

Results – Group

The net result of NMG from remaining operations (excluding the business segment “Diamonds” which was transferred to the shareholders of NMG in June 2014) for the 3-month period January to March 2015 amounted to MSEK –1.0 (MSEK –3.4 during the corresponding period in 2014). The net result from discontinued operations (business segment “Diamonds”) for the 3-month period of 2015 was 0 (MSEK –3.5).

Earnings per share (EPS) for the 3-month period ending March 2015 amounted to SEK -0.01 (SEK –0.17). The latter figure excludes discontinued operations. Including discontinued operations in the first quarter of 2014, EPS was then SEK -0.34.

There were no sales revenues for the report period (MSEK 0). Other operating income amounted to MSEK 0 (0.2), of which MSEK 0 (0.2) related to discontinued operations.

Operating costs excluding depreciation and impairment for remaining operations amounted to MSEK –1.6 during the first quarter of 2015 (MSEK –3.0 in same period of 2014). The same figure for discontinued operations was 0 (0).

Depreciation and impairment for remaining operations were MSEK 0 during the first three months of 2015 (0). For discontinued operations, depreciation and impairment were MSEK 0 during first quarter of 2015 and MSEK –3.7 during the first quarter of 2014. The latter figure related to a write-down of certain mineral interests in South Africa at the time.

Net financial items in remaining operations during the 3-month report period amounted to MSEK 0.6 (–0.3). The positive number in Q1 2015 results from a currency exchange gain on the NOK cash balances held by the parent company. In the discontinued operations the net financial items were neutral for the first quarter of both 2014 and 2015.

There was no income tax effect, neither in the remaining operations nor in the discontinued operations, for the first 3 months of 2015. The same applies to the corresponding period of 2014.

NMG had a cash flow of MSEK –3.7 during the 3-month period January – March 2015 (MSEK –8.2). Discontinued operations are included in these figures.

Cash and cash equivalents at the end of March 2015 were MSEK 57.8 compared to MSEK 7.0 at the same point in time a year earlier. The 68 million NOK rights issue successfully closed in early November 2014 has led to the higher cash figure by end of the report period.

NMG’s total assets at the end of March 2015 were MSEK 172.2, compared to MSEK 150.1 at the end of the same period in 2014.

Investments during the first three months of 2015 amounted to MSEK 0.9, and exclusively related to the RNP (MSEK 2.6).

Corporate

NMG has on April 29, 2015 published its annual report for 2014, and has further on May 4 via a press release published the notice to the Annual General Meeting that takes place on June 3 in Stockholm. In the civil court case against the four former board directors no new information has appeared during or after the report period (see note 6). A pre-trial hearing is scheduled for early autumn 2015.

Operations, Nickel

During the last year the Company has been focused on preparations for a PFS and a permit application under the Swedish Environmental Code.

In the first quarter of 2015, PFS work focus has been directed at the by-product iron oxide from the future nickel production process. A first desk study of the various options for commercializing the by-product was obtained from a global steel industry consultancy firm after end of the report period. This report suggests that the most suitable option is deemed to be production of merchant pig iron ("MPI"), and that a production facility for this would most likely be constructed in the Norwegian coastal city Mo i Rana, where a large port and industrial facilities are available. To sell the magnetite concentrate as a substitute for iron ore is not considered to be a realistic strategy. MPI is a value added product with a much higher unit price than iron ore. An MPI plant is estimated to have a construction cost of some 800 MUSD, which would make the whole RNP project more capital intensive and also more complex. An MPI plant would according to the study have a relatively attractive pay-back time, and the total return on the RNP investment is not estimated to change as compared to previous calculations done excluding an MPI plant. An MPI unit is also estimated to generate significant volumes of surplus electricity from the production process. The tentative figure is 1 billion kWh per annum. The economics of the MPI unit are highly sensitive to this surplus electricity component. This information on necessary increased capital expenditure and a more complex project approach will now be evaluated by NMG.

A first analysis of four waste rock samples from RNP was completed during the first quarter 2015 by the consultancy firm Golder Associates. The task was to investigate the long term behaviour of waste rock samples being exposed to weather and wind. The report was received in April after the end of the report period, and the findings were positive with no unexpected results.

During the quarter January – March 2015, NMG also submitted a statement to the administrative court in the city of Luleå in Sweden. Various RNP project opponents have appealed the extension of one of NMG's exploration permits. NMG, as most other industry colleagues, has various shorter term exploration permits that are usually extended for a three-year period each time. Extension of these permits is generally a standard issue.

After the end of the report period, in the middle of May, a ruling was made by the court that repeals the extension of the exploration permit in question. This seems to be contrary to the industry's legal practice of the last 20 years, but the matter is more of principal importance to the Swedish mining industry than to NMG itself as it does not relate to NMG's exploitation concessions. The board and management will evaluate how to proceed with this issue.

Financial position

Cash and cash equivalents at the end of March 2015 amounted to MSEK 57.8, compared to MSEK 7.0 at the end of March 2014. The majority of the liquid assets is held in the Norwegian currency NOK. Total equity at the end of the report period was MSEK 159.8 (MSEK 129.5 at end of the corresponding period in 2014), representing an equity ratio of 93 per cent (86 per cent at the end of the first quarter of 2014).

The Company's interest bearing long-term debt as at the end of March 2015 amounted to MSEK 9, which included an MSEK 5 convertible loan, granted by Norrlandsfonden in 2010 for the development of RNP. It is described in greater 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. It is also described in greater detail in note 8.

Short-term loans and other short-term liabilities at the end of quarter 1, 2015 amounted to MSEK 3.4 (MSEK 10.7). During the report period some 1.1 MSEK of short-term interest bearing loans provided in the summer of 2014 by a number of private individuals in Norway were fully repaid.

Events after the end of the report period

Following the end of the report period, NMG in the middle of April 2015 decided to treat the claim on Alluvia Mining as a contingent asset according to IAS 37. This accounting treatment is described more in detail in note 6 to this report, and was in the external accounts recorded in the last quarter of 2014.

According to above, one report on long-term environmental tests of waste rock samples and one report on the options to commercialize the magnetite concentrate by-product were received in April 2015.

In early May, the notice to the Annual General Meeting on June 3, 2015 in Stockholm was published. The notice contains a proposal to amend the articles of association to allow NMG to also conduct other business than mineral appraisal and production in the future. In this context a name change to "New Mountain Group" is also proposed. No concrete new business proposals exist for the time being. The AGM-notice also contains a proposal to give the Board of Directors a new mandate to conduct issues of equity instruments in the future with or without observing the existing shareholders' preferential rights. The proposal is identical to the one approved at the October 10, 2014 EGM, namely a 50% possible dilution corresponding to a maximum of 90,809,360 new shares. For more information, please go to the AGM-notice available for example at the NMG website www.nickelmountain.se.

In the middle of May, as described above, the administrative court in the city of Luleå repealed the extension of one of NMG's exploration permits. NMG currently considers to appeal this court decision.

Group outlook

The financial situation of the Group improved considerably following the closing of the 68 million NOK rights issue in November 2014. As per the date of this report, NMG can state that it has adequate working capital for sustaining normal business operations during the upcoming 12 month period.

Parent Company

The Parent Company's business activity is to manage the Group's operations. The result after tax during the first quarter of 2015 amounted to MSEK -0.9 (MSEK -2.8 during January – March 2014).

Cash and cash equivalents in the Parent Company amounted to MSEK 57.6 at the end of March 2015 (MSEK 1.7).

Employees

At the end of March 2015, NMG had three employees, two men and one woman.

The NMG share

There are currently 90,809,360 outstanding shares each with a par value of SEK 0.50. There is only one type of share and all shares have equal rights. The EGM held in October 2014 also gave authorization to the Board of Directors to decide on new issues of shares or convertible debt instruments with or without a deviation from the shareholders' preferential rights. The maximum dilution permitted according to this authorization is 50% which translates into 90,809,360 new shares given the number of shares outstanding at end of December 2014. The issue price shall, in case of a directed issue, be in line with the market price of the share with a deduction for any reasonable discount required.

Nomination Committee

As previously noted, a Nomination Committee has been appointed for presenting recommendations to the Annual General Meeting in the spring of 2015. Nomination Committee members comprise the Chairman of the Board of Nickel Mountain Group, Mr. Martin Nes, and two representatives of the two largest shareholders in the share register. These are Mr. Lars Christan Stugaard representing Strata Marine & Offshore AS and Mr. Gunnar Hvammen representing Solan Capital AS. Proposals and questions to the Nomination Committee can be forwarded to the mail address "nc2015@nickelmountain.se"

Annual General Meeting 2015 and proposed appropriation of results

The Annual General Meeting will be held on June 3, 2015 in central Stockholm in the premises of the law firm Wistrand at the address of Regeringsgatan 65 beginning at 14.00. The Board of Directors proposes that no dividend be paid for the financial year of 2014. As for the other proposals put forward to the AGM, please refer to the notice of the Annual General Meeting, which was press released on May 4, 2015. It is available on NMG's website.

Report dates in 2015

Annual General Meeting 2015: June 3, 2015

Half-Year Report Jan – June 2015: *August 27, 2015*

Nine-Month Report Jan – Sept 2015: *November 26, 2015*

12-Month Interim Report for Full Financial Year 2015: Will be published in February 2016. Exact date will be communicated towards the end of 2015.

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

Stockholm, May 27, 2015

For and on behalf of the Board of Directors,

Torbjörn Ranta

Managing Director

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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
		Jan - March	Jan - March	Jan - Dec
(TSEK)	Note	2015	2014	2014
<i>Continued operations</i>				
Other operating income		-	-	108
Other external expenses		-1 578	-2 840	-11 380
Personnel expenses		-	-195	226
Operating result before depreciation and impairment losses	10	-1 578	-3 035	-11 046
Depreciation/amortization and impairment loss on tangible, intangible and financial fixed assets	4,10	-34	-44	-30 155
Operating result after depreciation and impairment losses		-1 612	-3 079	-41 201
Financial revenue	3	845	8	3 112
Financial expenses	3	-262	-330	-3 129
Total financial items		583	-322	-17
Result before tax	10	-1 029	-3 401	-41 218
Income tax		-	-	-
Result for the period from continued operations		-1 029	-3 401	-41 218
Loss from discontinued operations	10	-	-3 528	-4 789
Result for the period including discontinued operations		-1 029	-6 929	-46 007
<i>Result for the period attributable to:</i>				
Equity holders of the Parent Company		-1 029	-6 912	-45 986
Non controlling interest		-	-17	-21
Result for the period		-1 029	-6 929	-46 007
Result per share before and after dilution including discontinued operations		-0,01	-0,34	-1,54
Result per share before and after dilution excluding discontinued operations		-0,01	-0,17	-1,38
Average number of shares (Millions)		90,8	20,3	29,8

Consolidated Statement of comprehensive loss

		3 m	3 m	12 m
		Jan - March	Jan - March	Jan - Dec
TSEK		2015	2014	2014
Result for the period		-1 029	-6 929	-46 007
<i>Items that could be reclassified to the income statement:</i>				
Foreign currency translation differences - foreign operations		-	-37	-1 081
Total other comprehensive income		-1 029	-6 966	-47 088
<i>Total comprehensive income for the period attributable to:</i>				
Equity holders of the Parent Company		-1 029	-6 949	-47 067
Non controlling interest		-	-17	-21

Consolidated statement of financial position

(TSEK)	Note	2015-03-31	2014-03-31	2014-12-31
ASSETS				
Fixed Assets				
<i>Intangible fixed assets</i>				
Mineral interests		112 621	108 392	111 676
<i>Tangible fixed assets</i>				
Plant and machinery		517	662	551
<i>Long-term financial fixed assets</i>				
Claim on Alluvia Mining	6	-	30 000	-
Participation in equity accounted companies	11	-	372	-
Other long-term investments	11	359	-	359
Long-term receivables		52	192	31
Total fixed assets		113 549	139 618	112 617
Current Assets				
Other receivables		523	3 204	696
Prepaid expenses		301	255	161
Cash and cash equivalents		57 804	7 004	61 502
Total current assets		58 628	10 463	62 359
TOTAL ASSETS		172 177	150 081	174 976
EQUITY				
<i>Equity attributable to equity holders of the parent company</i>				
Share capital		45 405	10 614	45 405
Other paid-in capital		1 256 648	1 220 710	1 256 648
Reserves		-	1 044	-
Retained earnings and profit for the period		-1 142 443	-1 102 933	-1 141 416
		159 610	129 435	160 637
Non-controlling interest		142	63	157
Total equity		159 752	129 498	160 794
Long-term Liabilities				
Convertible loan	7	5 000	5 000	5 000
Other long-term liabilities	8	4 000	4 923	4 000
Total long term liabilities		9 000	9 923	9 000
<i>Current liabilities</i>				
Accounts payable		918	2 683	1 560
Other liabilities	9	29	5 460	1 146
Accrued expenses and prepaid income		2 478	2 517	2 475
Total current liabilities		3 425	10 660	5 181
TOTAL EQUITY AND LIABILITIES		172 177	150 081	174 975
<i>Pledged assets</i>		31	31	31
<i>Contingent liabilities</i>		-	-	-

Consolidated statement of cash flow

	3 m Jan-March 2015	3 m Jan-March 2014	12 m Jan-Dec 2014
(TSEK)			
Cash flow from operations			
Result after financial items including discontinued operations	-1 029	-6 929	-46 007
Adjustments for non cash items *	20	3 717	31 468
Total cash flow from operations before change in working capital	-1 009	-3 212	-14 539
Change in working capital			
Increase/decrease receivables	34	-625	2 041
Increase/decrease in short term liabilities	-657	-13 496	-4 665
Total cash flow from operations	-1 632	-17 333	-17 163
Cash flow used for investments			
Purchase of intangible assets	-945	-2 449	-5 162
Acquisition of shares in associated companies	-	-13	-
Purchase of tangible assets	-	-	-691
Purchase of financial assets	-22	-161	-
Sale of financial assets	-	-	2 000
Total cash flow used for investments	-967	-2 623	-3 853
Financial activities			
New share issue	-	11 681	74 081
Cost relating to fund raising	-	-	-7 950
Raised credits	-	-	1 098
Amortization of debt	-1 099	-9	-
Total cash flow from financial activities	-1 099	11 672	67 229
Change in cash and bank	-3 698	-8 284	46 213
Cash and bank at beginning of report period	61 502	15 288	15 289
Cash and bank at the end of report period	57 804	7 004	61 502
*Adjustments for non cash items			
Impairment losses on intangible fixed assets	-	3 487	3 685
Depreciation and impairment losses on tangible fixed assets	34	267	180
Impairment losses on financial fixed assets	-	-	30 000
Exchange loss	-	-37	-1 081
Others	-14	-	-1 316
Total	20	3 717	31 468

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 on 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
<i>Comprehensive loss for the period</i>							
Total comprehensive result for the period				-6 912	-6 912	-17	-6 929
Costs related to fund-raising		-126			-126		-126
Set-off issue	1 526	10 280			11 806		11 806
Share capital reduction	-36 349	36 349					
Translation reserve			-37		-37		-37
Closing balance on 31 March 2014	10 614	1 220 710	1 044	-1 102 933	129 435	63	129 498
Balance on April 1 2014	10 614	1 220 710	1 044	-1 102 933	129 435	63	129 498
Net result for the period				-39 075	-39 075	-3	-39 078
Comprehensive loss for the period			-1 044				
Total comprehensive result for the period			-1 044	-39 075	-40 119	-3	-40 122
Set-off and new share issues	34 791	44 894			79 685		79 685
Costs related to fund-raising		-7 824			-7 824		-7 824
Dividend				-568	-568		-568
Other transactions		-1 132		1 161	29	97	126
Closing balance on 31 December 2014	45 405	1 256 648	-	-1 141 415	160 637	157	160 794
Balance on 1 January 2015	45 405	1 256 648	-	-1 141 415	160 637	157	160 794
Net result for the period				-1 029	-1 029		-1 029
Total comprehensive result for the period	-	-	-	-1 029	-1 029		-1 029
Other transactions	-	-	-	2	2	-15	-13
Closing balance on 31 March 2015	45 405	1 256 648	0	-1 142 442	159 611	142	159 753

Total number of shares outstanding as at end of March 2015 is 90,809,360.

Parent company income statement

		3 m	3 m	12 m
(TSEK)	Note	Jan - March 2015	Jan - March 2014	Jan - Dec 2014
Other operating income		-	-	75
Other external expenses		-1 495	-2 582	-10 316
Personnel expenses		-	130	187
Depreciation/impairment of financial fixed assets	4,6	-	-	-30 000
Operating result		-1 495	-2 452	-40 054
<i>Result from financial items</i>				
Financial revenue	3	844	2	2 023
Financial expenses	3	-261	-328	-3 111
Total financial items		583	-326	-1 088
Result before tax		-912	-2 778	-41 142
Income tax		-	-	-
Result for the period		-912	-2 778	-41 142

Balance sheet - Parent company

(TSEK)	Note	42 094	2014-03-31	2014-12-31
ASSETS				
Tangible fixed assets				
Receivable on Aluvia Mining Ltd	6	-	30 000	-
Shares in subsidiaries		97 261	97 747	97 247
Receivables from subsidiaries		71 667	71 071	70 468
Long-term receivables		21	-	-
Total fixed assets		168 949	198 818	167 715
Current Assets				
Other receivables		414	760	584
Prepaid expenses		275	22	65
Cash and cash equivalents		57 574	1 748	61 366
Total current assets		58 263	2 530	62 015
TOTAL ASSETS		227 212	201 348	229 730
SHAREHOLDERS' EQUITY				
<i>Restricted equity</i>				
Share capital		45 405	10 614	45 405
Statutory reserve		2 300	2 300	2 300
<i>Total restricted equity</i>		<i>47 705</i>	<i>12 914</i>	<i>47 705</i>
<i>Non-restricted equity</i>				
Share premium reserve		1 239 565	1 194 671	1 239 565
Retained earnings		-1 071 212	-1 021 452	-1 030 070
Result for the period		-912	-2 778	-41 142
<i>Total non-restricted equity</i>		<i>167 441</i>	<i>170 441</i>	<i>168 353</i>
Total shareholders' equity		215 145	183 355	216 057
Long-term liabilities				
Convertible loan	7	5 000	5 000	5 000
Interest bearing long-term liabilities	8	4 000	4 000	4 000
Total long-term liabilities		9 000	9 000	9 000
Current liabilities				
Accounts payable		877	1 971	1 388
Other liabilities	9	-	5 428	1 099
Accrued expenses		2 190	1 594	2 186
Total current liabilities		3 067	8 993	4 673
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		227 212	201 348	229 730
Pledget assets		-	-	-
Contingent liabilities		-	-	-

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
Opening balance on January 1, 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	-
Costs referable to fund-raising				-126		-126
Set-off issue	1 526		10 280			11 806
Share capital reduction	-36 349		36 349			-
Other transactions				225		225
Result for the period					-2 778	-2 778
Closing balance on 31 March 2014	10 614	2 300	1 194 671	-1 021 453	-2 778	183 355
Balance on April 1, 2014	10 614	2 300	1 194 671	-1 021 453	-2 778	183 355
Costs related to fund-raising				-7 824		-7 824
Dividend				-568		-568
Set off- and new share issues	34 791		44 894			79 685
Other transactions				-225		-225
Result for the period					-38 364	-38 364
Closing balance on 31 December 2014	45 405	2 300	1 239 565	-1 030 070	-41 142	216 057
Balance on January 1, 2015	45 405	2 300	1 239 565	-1 030 070	-41 142	216 057
Transfer of prior year's net result				-41 142	41 142	-
Result for the period					-912	-912
Closing balance on 31 March 2015	45 405	2 300	1 239 565	-1 071 212	-912	215 145

Key ratios and share data for the consolidated group

		31/3/2015	31/3/2014	2014	2013	2012	2011
Number of outstanding shares at beginning of reporting period	Number	90 809 360	18 174 922	18 174 922	18 174 922	51 928 350	1 805 618 810
New share issue	Number	-	3 052 799	72 634 438	-	129 820 875	2 348 649 150
Number of outstanding shares at the end of reporting period **,	Number	90 809 360	21 227 721	90 809 360	18 174 922	181 749 225	51 928 350
Average number of shares ***	Number	90 809 360	20 311 881	29 804 775	18 174 922	140 846 758	2 930 566 085
Operating result (for continued operations 2014 - 2015)	TSEK	-1 578	-3 035	-11 046	-21 437	-24 645	-62 531
Result after tax	TSEK	-1 029	-6 912	-45 986	-110 088	-121 490	-185 944
Operating result per share	SEK	-0,02	-0,15	-1,38	-1,21	-0,17	-0,02
Result after financial items per share	SEK	-0,01	-0,34	-1,38	-8,47	-1,07	-0,19
Result per share after tax	SEK	-0,01	-0,34	-1,54	-6,06	-0,86	-0,06
Shareholders equity per share before dilution **,	SEK	1,76	6,38	1,77	6,87	1,34	7,61
Dividend ****	TSEK	-	-	568	-	-	-
Price per share at the end of reporting period	NOK	0,91	2,44	1,42	3 **	0,45	1,66*

* 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.

**** Total dividend in TSEK. Not per share.

NMG possessed none of its own shares at the end of the report period. Further information regarding key ratio definitions can be obtained from the Annual Report for the Financial Year 2014.

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 and the Annual Accounts Act with regard to the Parent Company. The accounting principles applied correspond to those described in the Annual Report for the Financial Year 2014. 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 the Financial Year 2014.

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 2014, which is available on the NMG website, www.nickelmountain.se. In addition, a detailed risk factor account is given in the autumn 2014 rights issue prospectus of NMG also available on the website.

3. Financial items Group

Financial revenue (TSEK)	Group		
	2015-03-31	2014-03-31	2014-12-31
Interests	-	6	1 084
Exchange gains	845	2	28
Sale of group company	-	-	2 000
Total financial revenue	845	8	3 112
Financial expenses			
Interest	-235	-293	-838
Exchange losses	-27	-37	-2 291
Total financial expenses	-262	-330	-3 129

4. Depreciation and impairment

Depreciation and impairment during the 3-month period Jan – March 2015 amounted to TSEK 34 in the remaining operations (TSEK 44). In the discontinued operations, depreciation and impairment were 0 for the report period but TSEK 3,710 for the first quarter of 2014. This last figure consists almost entirely of a full impairment of a mineral license in South Africa at the time. NMG group did in early 2014 not have enough funds to maintain the license, and therefore the write-off was conducted.

5. Segment reporting

(TSEK)	Jan - March 2015				Discontinued operations Diamonds	Total
	Gold	Nickel	Other	Total remaining operations		
Other revenues	-	-	-	-	-	-
Operating result before depreciation and impairment losses	-	-83	-1 495	-1 578	-	-1 578
Depreciation of mineral interests	-	-	-	-	-	-
Depreciation according to plan	-	-34	-	-34	-	-34
Financial items	-	-	583	583	-	583
Result before tax	-	-117	-912	-1 029	-	-1 029
Fixed assets	-	113 528	21	113 549	-	113 549
Current assets	-	366	58 262	58 628	-	58 628
Long term liabilities	-	-	9 000	9 000	-	9 000
Short term liabilities	-	358	3 067	3 425	-	3 425
Investments (gross amounts)	-	945	-	945	-	945

(TSEK)	Jan - March 2014				Discontinued operations Diamonds	Total
	Gold	Nickel	Other	Total remaining operations		
Revenue from sales	-	-	-	-	186	186
Operating result before depreciation and impairment losses	-	-515	-2 520	-3 035	-4	-3 039
Impairment of mineral interests	-	-	-	0	-3 487	-3 487
Depreciation according to plan	-	-44	-	-44	-223	-267
Financial items	-	4	-326	-322	-	-322
Result before tax	-	-555	-2 846	-3 401	-3 528	-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 treated as a contingent assets according to IAS 37

The receivable from Alluvia Mining Ltd is related to the proposed purchase of Ghana Gold in the spring of 2013. This disastrous transaction was put forward for approval by a Shareholders' Meeting in the spring of 2013. The purchase consideration was supposed to consist of a MSEK 50 cash payment and 50 million newly issued NMG-shares. The transaction was never approved in a correct way by the above-mentioned Shareholders' Meeting,

and was therefore supposed to be reversed. In January 2013 a pre-payment of MSEK 50 was made by NMG, however this payment should have been returned as the purchase was never completed. This did not happen. Further, as a result of suspicions of fraud arising, a criminal investigation was initiated, the results of which have not yet been officially published. In parallel, NMG shareholders appointed a new Board of Directors in August 2013. At successive shareholder meetings in 2013 and in 2014, resolutions were repeatedly taken in order to clear the way for demanding compensation from the people considered responsible for the transaction. After the completion of a legal analysis by the Company's legal advisors, a civil law claim was in June 2014 filed by NMG with the Stockholm District Court against four former board directors deemed responsible for the transaction, with NMG thereby demanding MSEK 55 in compensation plus accrued interest from June 2014. In view of the uncertainty with regard to the financial situation of Alluvia Mining Ltd itself and the respondents' financial possibilities to in the future pay the claimed amount in full, the nominal value of the claim was written down to MSEK 30 in the external accounts at the end of 2013. At year-end 2014 the conclusion was made, that the principal claim on the debtor, Alluvia Mining Ltd, a foreign offshore company, most likely was worth nil. The debtor had not responded to numerous contact attempts and seemed to be insolvent or maybe even bankrupt. Therefore the claim on Alluvia Mining is probably worth zero while as the claim in accordance with the civil law suit against the former board members is the main valuable asset. It should also be considered that at the time of the disastrous event, NMG had paid for a liability insurance provided by a foreign insurance company covering the Board of Directors and Management. The insurance coverage cannot be claimed by NMG itself, but only by the former Board Directors should they be deemed liable by a court for the caused loss to NMG. The insurance coverage according to the policy was some MSEK 25. As far as NMG understands, the insurance company has thus far not accepted to pay out insurance compensation with reference to various circumstances. NMG's legal advisors consider that it is unlikely that in the end the insurance company will succeed in rejecting the claims. On balance, NMG and its legal advisors consider that the prerequisites are very good for NMG to, directly via a court decision, with or without insurance compensation, succeed in securing the mentioned amount.

Given the circumstances described above, that as of now the principal claim on the debtor Alluvia Mining Ltd has zero value, but instead the compensation claim on the former board members is the primary valuable asset, the decision was at year-end 2014 taken to treat this item as a contingent asset in accordance with IAS 37. The consequence was that this item was removed from the group balance sheet. In the external accounts, this resulted in an impairment of 30 million SEK as per end of December 2014. It is repeated that this has no relation whatsoever to the legal assessment of the case.

A pre-trial hearing is expected to be held in early autumn 2015. The defendants submitted their statements of defence in late-autumn 2014. The ruling by the Stockholm District court is expected in 2016. NMG estimates that the legal process will cost some 1 – 2 million SEK per year. Given an appeal to a higher court instance, the final ruling may take a couple of more years.

7. Convertible loan extend by Norrlandsfonden

In June 2010, NMG issued a convertible debenture in the amount of MSEK 5 to Norrlandsfonden, a Swedish public sector fund investing primarily in 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 per cent to be paid quarterly.
- The conversion price is recalculated as a result of any share issues and bonus issues etc., which implies that the current conversion price is deeply out of the money.
- NMG has the right to repay the loan in cash at any time during the duration of the loan. NMG will then be forced to pay 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.

Since the conversion price is deeply out of the money, the whole convertible loan amount is being treated on the balance sheet 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 and has a term 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 related party transactions were recorded during the first quarter of 2015.

10. Discontinued operations

The 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 at the time, and to confer to 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). All relevant assets in Africa were transferred to ADIAM. Following a second resolution at the EGM held on May 8, 2014, and also a third resolution at the AGM held on June 4, 2014 the ADIAM shares in June were distributed as a dividend on a 1:1 basis in proportion to the number of Parent Company shares held on the record date.

Discontinued operations

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

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

	3 m	3 m	12 m
(TSEK)	Jan - March 2015	Jan - March 2014	Jan - Dec 2014
Other operating income	-	186	186
Other external expenses	-	-4	-1 277
Personnel expenses	-	-	-
Depreciation/impairment of fixed assets	-	-3 710	-3 710
Operating result	-	-3 528	-4 801
<i>Result from financial items</i>			
Financial revenue	-	-	12
Financial expenses	-	-	-
Total financial items	-	-	12
Result before tax	-	-3 528	-4 789
Income tax	-	-	-
Loss from discontinued operations	-	-3 528	-4 789

11. Other long term investments

The minor share interests in Nordic Iron Ore AB and Tasman Metals Ltd held by NMG were at end of Q1 2014 treated as participation in equity accounted companies. At year end 2014 they were instead viewed as other long-term investments. This new treatment has neither had an effect on the Group result for full year 2014, nor for the January – March quarters of 2014 and 2015.