



## **Interim financial report for the six month period January 1 – June 30, 2015 and for the quarter April – June 2015 (Q2)**

### **Highlights during the second quarter of 2015**

- The administrative court (Förvaltningsdomstolen) in Luleå, Sweden, has in the middle of May repealed the extension of one of the exploration permits granted to NMG.
- A desk study on the iron oxide (magnetite by-product) concluded that the by-product cannot be sold without NMG integrating forward in to production of merchant pig iron ("MPI"). This information, in combination with depressed nickel prices, resulted in NMG temporarily stopping the Rönnbäcken nickel project investment program and booking an MSEK 82 impairment charge.
- The June 2015 AGM decided to enable NMG to conduct other business than minerals, and the company is actively reviewing new business opportunities.

### **Major events after end of the report period**

- In early July 2015 the Swedish public prosecutor filed criminal charges against two of the four former NMG Board Directors in office during first half of 2013 and responsible for the Ghana Gold-transaction. This is beneficial to NMG in the sense that it increases the likelihood of NMG winning the ongoing civil court case against the same Board Directors.

### **Financial results for the six-month period January – June 2015 and for the quarter April – June 2015**

- The net result after tax for the 6-month period January – June 2015 amounted to MSEK –85.1 (MSEK –10.2). This corresponds to earnings per share (EPS) of SEK –0.94 (SEK –0.49 including discontinued operations and SEK –0.26 excluding discontinued operations).
- The total comprehensive result for first six months of 2015 was MSEK –85.1 (MSEK –11.3).
- The net result after tax for the last quarter April – June 2015 amounted to MSEK –84.1 (MSEK –3.3). This corresponds to earnings per share (EPS) of SEK –0.93 (SEK –0.15 including discontinued operations and SEK –0.10 excluding discontinued operations).
- The total comprehensive result for the second quarter of 2015 was MSEK –84.1 (MSEK –4.4).

## Key figures Nickel Mountain Group

| SEK thousand  | Q2 2015 | First half 2015 | Q2 2014 | First half 2014 | 12 m 2014 |
|---|---------|-----------------|---------|-----------------|-----------|
| Sales   | -       | -               | -       | -               | -         |
| Other income  | -       | -               | 75      | 75              | 108       |
| Total revenues *)   | -       | -               | 75      | 75              | 108       |
| EBITDA *)   | -1 127  | -2 705          | -3 796  | -6 762          | -11 046   |
| Impairment losses and depreciation *)                     | -82 034 | -82 068         | -43     | -87             | -30 155   |
| Net result attributable to shareholders of parent company | -84 056 | -85 085         | -3 286  | -10 198         | -45 986   |
| Net Investments in period (MSEK)                          | 1,2     | 2,1             | 0,9     | 3,5             | 5,9       |
| Cash at end of period                                     | 54 961  | 54 961          | 1 233   | 1 233           | 61 502    |
| Interest bearing long-term debt at end of period          | 5 000   | 5 000           | 9 022   | 9 022           | 9 000     |

\*) Relates only to remaining operations.

## 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 has so far been 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/>

As described below the Board of Directors of NMG in late June 2015 decided to temporarily stop all investments in RNP with immediate effect as a result of the very low nickel price and the increased complexity of the project relating to the proposed commercialization of the iron oxide by-product.

## 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 6-month period January to June 2015 amounted to MSEK -85.1 (MSEK -5.4 during the corresponding period in 2014). The mentioned MSEK 82 impairment charge is the cause for the significant loss in the report period. The net result from discontinued operations (business segment "Diamonds") for the 6-month period of 2015 was 0 (MSEK -4.8). For the second quarter of 2015 in isolation, the net result from remaining operations was MSEK -84.1 (-2.1). For discontinued operations the corresponding net result for Q2 2015 was 0 (MSEK -1.2).

Earnings per share (EPS) for the 6-month period ending June 2015 amounted to SEK -0.94 (SEK -0.26). The latter figure excludes discontinued operations. Including discontinued operations in the first six months of 2014, EPS was then SEK -0.49. The EPS for the second quarter of 2015 was SEK -0.93 (SEK -0.10 and -0.15 excluding and including discontinued operations, respectively).

There were no sales revenues for the report period (MSEK 0). Other operating income amounted to MSEK 0 (0.3), of which MSEK 0 (0.2) related to discontinued operations. For the second quarter of 2015 other operating income was 0 (MSEK 0.1). The latter figure relates only to remaining operations.

Operating costs excluding depreciation and impairment for remaining operations amounted to MSEK -2.7 during the first six of 2015 (MSEK -6.8 in same period of 2014). The same figure for discontinued operations was 0 (-1.3). For the quarter April – June 2015 these operating costs amounted to MSEK -1.1 (MSEK -5.1 and -3.9 including and excluding discontinued operations, respectively).

Depreciation and impairment for remaining operations were MSEK -82.1 during the first six months of 2015 (-0.1). The decision in the end of the second quarter 2015 to impair the nickel project in Sweden by MSEK 82 is the explanation for the high number. For discontinued operations, depreciation and impairment were MSEK 0 during first half of 2015 and MSEK -3.7 during the first two quarters of 2014. The latter figure related to a write-down of certain mineral interests in South Africa at the time. For the second quarter of 2015 depreciation and impairment for remaining operations reached MSEK 82.0 (0). The corresponding figure for discontinued operations was MSEK 0 (0).

Net financial items in remaining operations during the 6-month report period amounted to MSEK -0.3 (+1.4). The positive number in 2014 is explained by a realization gain from the sale of the subsidiary IGE Diamond at that time. The same figure relating to the second quarter of 2015 exclusively reached MSEK -0.9 (+1.7). The negative number in the second quarter of the report period depends on the NOK weakening against the SEK, and NMG for the time being keeps the absolute majority of its cash balances in NOK. This leads to currency exchange component swings in each report period. In the discontinued operations the financial net items were 0 in the report period (0). The same figure for the second quarter of 2015 was 0 (0).

There was no income tax effect neither in the remaining operations nor in the discontinued operations for the first 6 months of 2015, and that also applied to the second quarter of 2015 in isolation. The same goes for the corresponding periods of 2014. The MSEK 82 RNP impairment by end of this year's second quarter is not tax deductible until the loss in the future has been realized in accordance with Swedish tax rules, if at all.

NMG had a cash flow of MSEK -6.5 during the 6-month period January – June 2015 (MSEK -14.1). Discontinued operations are included in these figures.

Cash and cash equivalents at the end of June 2015 were MSEK 55.0 compared to MSEK 1.2 at the same point in time a year earlier. The 68 million NOK rights issue successfully closed in early November 2014 has generated the higher cash figure by end of the report period.

NMG's total assets at the end of June 2015 were MSEK 88.3 compared to MSEK 144.1 at the end of the same period in 2014. The MSEK 82 RNP impairment by end of Q2 2015 has caused the reduction in total assets.

Investments during the first six months of 2015 amounted to MSEK 2.1, and exclusively related to the RNP (MSEK 3.5). The corresponding figure for the second quarter of 2015 in isolation was MSEK 1.2 (0.9).

## **Corporate**

In the civil court case against the four former board directors new information appeared in the very beginning of July 2015. The Swedish public prosecutor then filed criminal charges against two of the four former NMG Board Directors in office during first half of 2013. This does possibly benefit NMG's position. If the prosecutor wins the criminal case, it will imply that at least a few of the former Board Directors have also acted in a grossly negligent way. Overall this strengthens the case for NMG's compensation claim (see also note 6 to this report).

## **Operations, Nickel**

During the last few years the Company has been focused on preparations for a PFS and a permit application under the Swedish Environmental Code. The situation, however, changed during the second quarter of 2015 in conjunction with the receipt of a desk study of the various options for commercializing the by-product iron oxide from the nickel project. The author is a leading global steel industry consultancy firm. This report suggests that the most suitable option is production of merchant pig iron ("MPI"), and that a production facility for this in such case would be constructed in the Norwegian coastal city Mo i Rana. 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 much more capital intensive and also more complex. 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 sensitive to this surplus electricity component. Given this information, and also given the currently very low nickel and electricity prices, the Board of Directors of NMG by end of June 2015 decided to put all further nickel project investments on hold. This decision triggered an impairment charge of the RNP in an amount of MSEK 82, which was booked

in the second quarter, and it has also has necessitated staff reductions on subsidiary level. After this impairment, remaining group net book value of RNP amounts to slightly more than MSEK 30.

In the middle of May 2015, the Administrative court in the city of Luleå repealed the extension of one of NMG's exploration permits. 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. NMG did therefore not appeal the court's decision.

### **Financial position**

Cash and cash equivalents at the end of June 2015 amounted to MSEK 55.0, compared to MSEK 1.2 at the end of June 2014. The absolute majority of the liquid assets are held in the Norwegian currency NOK. Total equity at the end of the report period was after the NRP impairment MSEK 75.7 (MSEK 131.1 at end of the corresponding period in 2014), representing an equity ratio of 86 per cent (91 per cent at the end of June, 2014).

The Company's interest bearing long-term debt as at the end of June 2015 amounted to MSEK 5 (MSEK 9 by end of June 2014). The long term debt relates to 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. The MSEK 4 unsecured loan for working capital purposes extended in May 2013 by Mr. Ulrik Jansson formally matures in May 2016, and is therefore as from this report re-classified as short term debt.

Short-term loans and other short-term liabilities at the end of the second quarter 2015 amounted to MSEK 7.6 (MSEK 4.1).

### **Events after the end of the report period**

In early July 2015 the Swedish public prosecutor filed criminal charges against two of the four former NMG Board Directors in office during first half of 2013 and responsible for the Ghana Gold-transaction. This is beneficial to NMG because it increases the likelihood of NMG winning the ongoing civil court case against the same Board Directors.

### **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 six months of 2015 amounted to MSEK -145.6 (MSEK -3.7 during January – June 2014). The net result relating to the quarter April – June 2015 was MSEK -144.7 (-0.9). The Q2 2015 MSEK 82 impairment of immaterial fixed assets on group level on parent company level translates in to a write-down of subsidiary shares and subsidiary loans, which is the explanation for the significant loss in the report period. Post this write-down it was necessary to re-capitalize the subsidiaries by way of shareholder contributions. Loans to subsidiaries were therefore converted to new equity, and this has resulted in a satisfactory financial situation in the two subsidiaries post the write-down.

Cash and cash equivalents in the Parent Company amounted to MSEK 54.7 at the end of June 2015 (MSEK 0.9).

### **Employees**

At the end of June 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 shares and all shares have equal rights. The AGM held in June 2015 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 June 2015. 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. The authorization is valid to next year's AGM.

#### **Nomination Committee**

As previously noted, a Nomination Committee will get appointed later in autumn 2015 for presenting recommendations to the Annual General Meeting in the spring of 2016. Nomination Committee members will 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 by the end of September 2015. The exact committee composition will be announced in due time.

#### **Remaining report dates in 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.

#### **Responsibility statement**

We confirm to the best of our belief that the financial statements for the first half of 2015, which have been prepared in accordance with IAS 34 – Interim Reporting, give a true and fair view of the company's assets, liabilities, financial position and results of operation.

Stockholm, August 26, 2015

Martin Nes

Chairman

(Sign)

Jan Frode Andersen

Director

(Sign)

Per Dalemo

Director

(Sign)

Torbjörn Ranta

CEO and CFO

(Sign)

For further information, please contact:

Torbjörn Ranta

Managing Director

Nickel Mountain Group AB (publ)

Hovslagargatan 5B, bottom floor

111 48 STOCKHOLM

Sweden

[www.nickelmountain.se](http://www.nickelmountain.se)

[info@nickelmountain.se](mailto:info@nickelmountain.se)

Telephone number: +46 8 402 28 00

Cell phone: +46 708 85 55 04

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

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

### Consolidated statement of loss

| (TSEK)   | Note | 3 m<br>April - June<br>2015 | 3 m<br>April - June<br>2014 | 6 m<br>Jan - June<br>2015 | 6 m<br>Jan - June<br>2014 | 12 m<br>Jan-Dec<br>2014 |
|--|------|-----------------------------|-----------------------------|---------------------------|---------------------------|-------------------------|
| Remaining operations   |      |                             |                             |                           |                           |                         |
| <b>Other operating income</b>  |      | -                           | 75                          | -                         | 75                        | 108                     |
| Other external expenses  |      | -1 127                      | -3 626                      | -2 705                    | -6 397                    | -11 380                 |
| Personnel expenses   |      | -                           | -245                        | -                         | -440                      | 226                     |
| <b>Operating result before depreciation and impairment losses</b>                                  |      | <b>-1 127</b>               | <b>-3 796</b>               | <b>-2 705</b>             | <b>-6 762</b>             | <b>-11 046</b>          |
| Depreciation/amortization and impairment losses on tangible, intangible and financial fixed assets | 4,6  | -82 034                     | -43                         | -82 068                   | -87                       | -30 155                 |
| <b>Operating result after depreciation and impairment losses</b>                                   |      | <b>-83 161</b>              | <b>-3 839</b>               | <b>-84 773</b>            | <b>-6 849</b>             | <b>-41 201</b>          |
| Financial revenue  | 3    | -                           | 2 000                       | 92                        | 2 009                     | 3 112                   |
| Financial expenses   |      | -925                        | -260                        | -434                      | -591                      | -3 129                  |
| <b>Total financial items</b>   |      | <b>-925</b>                 | <b>1 740</b>                | <b>-342</b>               | <b>1 418</b>              | <b>-17</b>              |
| <b>Result before tax</b>   |      | <b>-84 086</b>              | <b>-2 099</b>               | <b>-85 115</b>            | <b>-5 431</b>             | <b>-41 218</b>          |
| Income tax   |      | -                           | -                           | -                         | -                         | -                       |
| <b>Result for the period from remaining operations</b>   |      | <b>-84 086</b>              | <b>-2 099</b>               | <b>-85 115</b>            | <b>-5 431</b>             | <b>-41 218</b>          |
| Loss from discontinued operations  |      | -                           | -1 192                      | -                         | -4 789                    | -4 789                  |
| <b>Result for the period</b>   |      | <b>-84 086</b>              | <b>-3 291</b>               | <b>-85 115</b>            | <b>-10 220</b>            | <b>-46 007</b>          |
| Result for the period attributable to:   |      |                             |                             |                           |                           |                         |
| Equity holders of the Parent Company   |      | -84 056                     | -3 286                      | -85 085                   | -10 198                   | -45 986                 |
| Non-controlling interest   |      | -30                         | -5                          | -30                       | -22                       | -21                     |
| <b>Result for the period</b>   |      | <b>-84 086</b>              | <b>-3 291</b>               | <b>-85 115</b>            | <b>-10 220</b>            | <b>-46 007</b>          |
| Result per share before and after dilution including discontinued operations                       |      | -0,93                       | -0,15                       | -0,94                     | -0,49                     | -1,54                   |
| Result per share before and after dilution excluding discontinued operations                       |      | -0,93                       | -0,10                       | -0,94                     | -0,26                     | -1,38                   |
| Average number of shares (Millions)  |      | 90,8                        | 21,7                        | 90,8                      | 21,0                      | 29,8                    |

### Consolidated Statement of comprehensive loss

|   |  | 3 m<br>April-Jun<br>2015 | 3 m<br>April - June<br>2014 | 6 m<br>Jan-June<br>2015 | 6 m<br>Jan - June<br>2014 | 12 m<br>Jan - Dec<br>2014 |
|---|--|--------------------------|-----------------------------|-------------------------|---------------------------|---------------------------|
| Result for the period   |  | -84 086                  | -3 291                      | -85 115                 | -10 220                   | -46 007                   |
| Items that could be reclassified to the income statement:     |  |                          |                             |                         |                           |                           |
| Foreign currency translation differences - foreign operations |  | -                        | -1 081                      | -                       | -1 081                    | -1 081                    |
| <b>Total other comprehensive loss</b>                         |  | <b>-84 086</b>           | <b>-4 372</b>               | <b>-85 115</b>          | <b>-11 301</b>            | <b>-47 088</b>            |
| Total comprehensive loss for the period attributable to:      |  |                          |                             |                         |                           |                           |
| Equity holders of the Parent Company                          |  | -84 056                  | -4 367                      | -85 085                 | -11 279                   | -47 067                   |
| Non-controlling interest                                      |  | -30                      | -5                          | -30                     | -22                       | -21                       |

## Consolidated statement of financial position

| (TSEK)   | Note | 2015-06-30    | 2014-06-30     | 2014-12-31     |
|--|------|---------------|----------------|----------------|
| <b>ASSETS</b>  |      |               |                |                |
| <b>Fixed assets</b>  |      |               |                |                |
| <i>Intangible fixed assets</i>                                     |      |               |                |                |
| Mineral interests  |      | 31 742        | 109 557        | 111 676        |
| <i>Tangible fixed assets</i>                                       |      |               |                |                |
| Plant and machinery  |      | 482           | 619            | 551            |
| <i>Long-term financial fixed assets</i>                            |      |               |                |                |
| Claim on Alluvia Mining  | 6    | -             | 30 000         | -              |
| Participation in equity accounted companies                        | 11   | -             | 359            | -              |
| Other long-term investments  | 11   | 359           | -              | 359            |
| Long-term receivables  |      | 52            | 31             | 31             |
| <b>Total fixed assets</b>  |      | <b>32 635</b> | <b>140 566</b> | <b>112 617</b> |
| <b>Current Assets</b>  |      |               |                |                |
| Other receivables  |      | 437           | 293            | 696            |
| Prepaid expenses   |      | 224           | 2 054          | 161            |
| Cash and cash equivalents  |      | 54 961        | 1 233          | 61 502         |
| <b>Total current assets</b>  |      | <b>55 622</b> | <b>3 580</b>   | <b>62 359</b>  |
| <b>TOTAL ASSETS</b>  |      | <b>88 257</b> | <b>144 146</b> | <b>174 976</b> |
| <b>EQUITY</b>  |      |               |                |                |
| <i>Equity attributable to equity holders of the parent company</i> |      |               |                |                |
| Share capital  |      | 45 405        | 11 351         | 45 405         |
| Other paid in capital  |      | 1 256 648     | 1 225 575      | 1 256 648      |
| Reserves   |      | 0             | 0              | -              |
| Retained earnings and profit for the period                        |      | -1 226 461    | -1 106 028     | -1 141 416     |
|  |      | 75 592        | 130 898        | 160 637        |
| Non controlling interest   |      | 75            | 160            | 157            |
| <b>Total equity</b>  |      | <b>75 667</b> | <b>131 058</b> | <b>160 794</b> |
| <b>Long term Liabilities</b>                                       |      |               |                |                |
| <i>Long term liabilities</i>                                       |      |               |                |                |
| Convertible loan   | 7    | 5 000         | 5 000          | 5 000          |
| Other long term liabilities  | 8    | 0             | 4 022          | 4 000          |
| <b>Total long term liabilities</b>                                 |      | <b>5 000</b>  | <b>9 022</b>   | <b>9 000</b>   |
| <i>Current liabilities</i>   |      |               |                |                |
| Accounts payable   |      | 881           | 2 124          | 1 560          |
| Other liabilities  | 9    | 4 081         | 236            | 1 146          |
| Accrued expenses and prepaid income                                |      | 2 628         | 1 706          | 2 475          |
| <b>Total current liabilities</b>                                   |      | <b>7 590</b>  | <b>4 066</b>   | <b>5 181</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                |      | <b>88 257</b> | <b>144 146</b> | <b>174 975</b> |
| <i>Pledged assets</i>  |      | 31            | 31             | 31             |
| <i>Contingent liabilities</i>                                      |      | -             | -              | -              |

## Consolidated statement of cash flow

|   | 6 m             | 6 m             | 12 m           |
|---|-----------------|-----------------|----------------|
| (TSEK)  | Jan - June 2015 | Jan - June 2014 | Jan-Dec 2014   |
| Cash flow from operations   |                 |                 |                |
| Result after financial items including discontinued operations          | -85 115         | -10 220         | -46 007        |
| Adjustments for non-cash items *  | 82 057          | -60             | 31 468         |
| <b>Total cash flow from operations before change in working capital</b> | <b>-3 058</b>   | <b>-10 280</b>  | <b>-14 539</b> |
| <b>Change in working capital</b>  |                 |                 |                |
| Increase/decrease receivables   | 196             | 1 063           | 2 041          |
| Increase/decrease in short term liabilities                             | -490            | -2 682          | -4 665         |
| <b>Total cash flow from operations</b>                                  | <b>-3 352</b>   | <b>-11 900</b>  | <b>-17 163</b> |
| <b>Cash flow used for investments</b>                                   |                 |                 |                |
| Purchase of intangible assets   | -2 069          | -3 529          | -5 162         |
| Purchase of tangible assets   | -               | -               | -691           |
| Purchase of financial fixed assets                                      | -21             | -               | -              |
| Sale of financial fixed assets  | -               | 1 500           | 2 000          |
| <b>Total cash flow used for investments</b>                             | <b>-2 090</b>   | <b>-2 028</b>   | <b>-3 853</b>  |
| <b>Financial activities</b>   |                 |                 |                |
| New share issue   | -               | -               | 74 081         |
| Cost relating to fund raising   | -               | -127            | -7 950         |
| Raised credits  | -               | -               | 1 098          |
| Amortization of debt  | -1 099          | -               | -              |
| <b>Total cash flow from financial activities</b>                        | <b>-1 099</b>   | <b>-127</b>     | <b>67 229</b>  |
| Change in cash and bank   | -6 541          | -14 055         | 46 213         |
| Cash and bank at 1 January  | 61 502          | 15 289          | 15 289         |
| <b>Cash and bank at the end of the reporting period</b>                 | <b>54 961</b>   | <b>1 233</b>    | <b>61 502</b>  |
| <b>*Adjustments for non-cash items</b>                                  |                 |                 |                |
| Depreciation and impairment losses on intangible fixed assets           | 82 000          | 87              | 3 685          |
| Depreciation and impairment losses on tangible fixed assets             | 68              | 25              | 180            |
| Impairment losses on financial fixed assets                             | -               | -               | 30 000         |
| Exchange loss   | -               | -               | -1 081         |
| Others  | -11             | -172            | -1 316         |
| <b>Total</b>  | <b>82 057</b>   | <b>-60</b>      | <b>31 468</b>  |



## Consolidated Statement of changes in equity

| (TSEK)                                     | Equity related to the shareholders of the parent company |                  |               |                   |                | Non-controlling interest | Total Equity   |
|--|--|------------------|---------------|-------------------|----------------|--------------------------|----------------|
| <b>Balance on 1 January 2014</b>           | <b>45 437</b>  | <b>1 174 207</b> | <b>1 081</b>  | <b>-1 096 021</b> | <b>124 704</b> | <b>80</b>                | <b>124 784</b> |
| Net result for the period                  |  |                  |               | -10 198           | -10 198        | -22                      | -10 220        |
| Comprehensive loss for the period          |  |                  | -1 081        |                   | -1 081         |                          | -1 081         |
| <b>Total comprehensive loss</b>            |  |                  | <b>-1 081</b> | <b>-10 198</b>    | <b>-11 279</b> | <b>-22</b>               | <b>-11 301</b> |
| Set-off issues                             | 2 263  | 15 146           |               |                   | 17 409         |                          | 17 409         |
| Share capital reduction                    | -36 349  | 36 349           |               |                   | 0              |                          | 0              |
| Cost referable to fund raising             |  | -127             |               |                   | -127           |                          | -127           |
| Dividend                                   |  |                  |               | -568              | -568           |                          | -568           |
| Other transactions                         |  |                  |               | 759               | 759            | 102                      | 861            |
| <b>Closing balance on June 30 2014</b>     | <b>11 351</b>  | <b>1 225 575</b> | <b>0</b>      | <b>-1 106 028</b> | <b>130 898</b> | <b>160</b>               | <b>131 058</b> |
| Net result for the period                  |  |                  |               | -35 789           | -35 789        | 2                        | -35 787        |
| Comprehensive loss for the period          |  |                  |               |                   |                |                          |                |
| <b>Total comprehensive loss</b>            |  |                  |               | <b>-35 789</b>    |                | <b>2</b>                 | <b>-35 787</b> |
| New share issue                            | 34 054   | 40 029           |               |                   | 74 083         |                          | 74 083         |
| Cost referable to fund raising             |  | -7 824           |               |                   | -7 824         |                          | -7 824         |
| Dividend                                   |  |                  |               |                   |                |                          |                |
| Other transactions                         |  | -1 132           |               | 402               | -730           | -5                       | -735           |
| <b>Closing balance on December 31 2014</b> | <b>45 405</b>  | <b>1 256 648</b> | <b>-</b>      | <b>-1 141 415</b> | <b>160 637</b> | <b>157</b>               | <b>160 794</b> |
| Net result for the period                  |  |                  |               | -85 085           | -85 085        | -30                      | -85 115        |
| <b>Total comprehensive loss</b>            |  |                  |               | <b>-85 085</b>    | <b>-85 085</b> | <b>-30</b>               | <b>-85 115</b> |
| Other transactions                         |  |                  |               | 40                | 40             | -52                      | -12            |
| <b>Closing balance on June 30 2015</b>     | <b>45 405</b>  | <b>1 256 648</b> | <b>-</b>      | <b>-1 226 460</b> | <b>75 592</b>  | <b>75</b>                | <b>75 667</b>  |

The total number of shares outstanding as per June 30, 2015 is 90,809,360

## Parent company income statement

| (TSEK)  | Note | 3 m<br>April - June<br>2015 | 3 m<br>April - June<br>2014 | 6 m<br>Jan - June<br>2015 | 6 m<br>Jan - June<br>2014 | 12 m<br>Jan-Dec<br>2014 |
|---|------|-----------------------------|-----------------------------|---------------------------|---------------------------|-------------------------|
| Other operating income                              |      | -                           | 75                          | -                         | 75                        | 75                      |
| Other external expenses                             |      | -1 068                      | -2 707                      | -2 563                    | -5 289                    | -10 316                 |
| Personnel expenses                                  |      | -                           | -                           | -                         | 130                       | 187                     |
| Depreciation / impairment of financial fixed assets | 4    | -142 735                    | -                           | -142 735                  | -                         | -30 000                 |
| <b>Operating result</b>                             |      | <b>-143 803</b>             | <b>-2 632</b>               | <b>-145 298</b>           | <b>-5 084</b>             | <b>-40 054</b>          |
| <i>Result from financial items</i>                  | 3    |                             |                             |                           |                           |                         |
| Financial revenue                                   |      | -757                        | 2 000                       | 87                        | 2 002                     | 2 023                   |
| Financial expenses                                  |      | -171                        | -248                        | -432                      | -576                      | -3 111                  |
| <b>Total financial items</b>                        |      | <b>-928</b>                 | <b>1 752</b>                | <b>-345</b>               | <b>1 426</b>              | <b>-1 088</b>           |
| <b>Result before tax</b>                            |      | <b>-144 731</b>             | <b>-880</b>                 | <b>-145 643</b>           | <b>-3 658</b>             | <b>-41 142</b>          |
| Income tax  |      | 0                           | 0                           | 0                         | 0                         | 0                       |
| <b>Result for the period</b>                        |      | <b>-144 731</b>             | <b>-880</b>                 | <b>-145 643</b>           | <b>-3 658</b>             | <b>-41 142</b>          |

## Balance sheet - Parent company

| (TSEK)   | Note | 2015-06-30    | 2014-06-30     | 2014-12-31     |
|--|------|---------------|----------------|----------------|
| <b>ASSETS</b>                                    |      |               |                |                |
| <b>Tangible fixed assets</b>                     |      |               |                |                |
| <i>Long-term financial fixed assets</i>          |      |               |                |                |
| Receivable on Aluvia Mining Ltd                  | 6    | -             | 30 000         | -              |
| Shares in subsidiaries                           |      | 24 634        | 97 247         | 97 247         |
| Receivables from subsidiaries                    |      | 2 680         | 68 084         | 70 468         |
| Other long term receivables                      |      | 21            | -              | -              |
| <b>Total fixed assets</b>                        |      | <b>27 335</b> | <b>195 331</b> | <b>167 715</b> |
| <b>Current Assets</b>                            |      |               |                |                |
| Other receivables                                |      | 339           | 1 764          | 584            |
| Prepaid expenses                                 |      | 196           | 44             | 65             |
| Cash and cash equivalents                        |      | 54 749        | 916            | 61 366         |
| <b>Total current assets</b>                      |      | <b>55 284</b> | <b>2 724</b>   | <b>62 015</b>  |
| <b>TOTAL ASSETS</b>                              |      | <b>82 619</b> | <b>198 055</b> | <b>229 730</b> |
| <b>SHAREHOLDERS EQUITY</b>                       |      |               |                |                |
| <i>Restricted equity</i>                         |      |               |                |                |
| Share capital                                    |      | 45 405        | 11 351         | 45 405         |
| Statutory reserve                                |      | 2 300         | 2 300          | 2 300          |
| <i>Total restricted equity</i>                   |      | <i>47 705</i> | <i>13 651</i>  | <i>47 705</i>  |
| <i>Non-restricted equity</i>                     |      |               |                |                |
| Share premium reserve                            |      | 1 239 565     | 1 199 537      | 1 239 565      |
| Retained earnings                                |      | -1 071 213    | -1 023 059     | -1 030 070     |
| Result for the period                            |      | -145 643      | -3 658         | -41 142        |
| <i>Total non-restricted equity</i>               |      | <i>22 709</i> | <i>172 820</i> | <i>168 353</i> |
| <b>Total shareholders equity</b>                 |      | <b>70 414</b> | <b>186 471</b> | <b>216 057</b> |
| <b>Long term liabilities</b>                     |      |               |                |                |
| Convertible loan                                 | 7    | 5 000         | 5 000          | 5 000          |
| Interest-bearing long term liabilities           | 8    | -             | 4 022          | 4 000          |
| <b>Total long term liabilities</b>               |      | <b>5 000</b>  | <b>9 022</b>   | <b>9 000</b>   |
| <b>Current liabilities</b>                       |      |               |                |                |
| Accounts payable                                 |      | 853           | 1 440          | 1 388          |
| Other liabilities                                |      | 4 052         | 94             | 1 099          |
| Accrued expenses                                 |      | 2 300         | 1 029          | 2 186          |
| <b>Total current liabilities</b>                 |      | <b>7 205</b>  | <b>2 563</b>   | <b>4 673</b>   |
| <b>TOTAL SHAREHOLDERS EQUITY AND LIABILITIES</b> |      | <b>82 619</b> | <b>198 055</b> | <b>229 730</b> |
| 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   |
| <b>Opening balance on 1 January 2014</b>   | <b>45 437</b>     | <b>2 300</b>      | <b>1 148 042</b>      | <b>-911 164</b>   | <b>-110 388</b>       | <b>174 228</b> |
| Transfer of prior year's net result        |                   |                   |                       | -110 388          | 110 388               | 0              |
| Costs related to fund-raising              |                   |                   |                       | -127              |                       | -127           |
| Dividend                                   |                   |                   |                       | -568              |                       | -568           |
| Other transactions                         |                   |                   |                       | -813              |                       | -813           |
| New share issue                            | 2 264             |                   | 15 146                |                   |                       | 17 410         |
| Share capital reduction                    | -36 349           |                   | 36 349                |                   |                       | 0              |
| Result for the period                      |                   |                   |                       |                   | -3 658                | -3 658         |
| <b>Closing balance on 30 June 2014</b>     | <b>11 352</b>     | <b>2 300</b>      | <b>1 199 537</b>      | <b>-1 023 060</b> | <b>-3 658</b>         | <b>186 471</b> |
| Costs related to fund-raising              |                   |                   |                       | -7 010            |                       | -7 010         |
| New share issue                            | 34 053            |                   | 40 028                |                   |                       | 74 081         |
| Result for the period                      |                   |                   |                       |                   | -37 484               | -37 484        |
| <b>Closing balance on 31 December 2014</b> | <b>45 405</b>     | <b>2 300</b>      | <b>1 239 565</b>      | <b>-1 030 070</b> | <b>-41 142</b>        | <b>216 057</b> |
| Transfer of prior year's net result        |                   |                   |                       | -41 142           | 41 142                | 0              |
| Result for the period                      |                   |                   |                       |                   | -145 643              | -145 643       |
| <b>Closing balance on 30 June 2015</b>     | <b>45 405</b>     | <b>2 300</b>      | <b>-</b>              | <b>-1 071 212</b> | <b>-145 643</b>       | <b>70 414</b>  |

The total number of shares outstanding as per June 30, 2015 is 90,809,360

## Key ratios and share data for the consolidated group

|  |        | 30/6/2015  | 30/6/2014  | 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 issues   | Number | -          | 4 527 418  | 72 634 438 | -          | 129 820 875 | 2 348 649 150 |
| Number of outstanding shares at the end of reporting period **, **                               | Number | 90 809 360 | 22 702 340 | 90 809 360 | 18 174 922 | 181 749 225 | 51 928 350    |
| Average number of shares ***   | Number | 90 809 360 | 21 015 572 | 29 804 775 | 18 174 922 | 140 846 758 | 2 930 566 085 |
| Operating result before depreciation & impairment (for continued operations only in 2014 - 2015) | TSEK   | -2 705     | -6 762     | -11 046    | -21 437    | -24 645     | -62 531       |
| Result after tax   | TSEK   | -85 115    | -10 220    | -45 986    | -110 088   | -121 490    | -185 944      |
| Operating result per share   | SEK    | -0,03      | -0,32      | -1,38      | -1,21      | -0,17       | -0,02         |
| Result after financial items per share   | SEK    | -0,94      | -0,49      | -1,38      | -6,06      | -1,07       | -0,19         |
| Result per share after tax   | SEK    | -0,94      | -0,49      | -1,54      | -6,06      | -0,86       | -0,06         |
| Shareholders' equity per share before and after dilution **, **                                  | SEK    | 0,83       | 5,77       | 1,77       | 6,87       | 1,34        | 7,61          |
| Dividend ****  | TSEK   | -          | -568       | -568       | -          | -           | -             |
| Price per share at the end of reporting period **  | NOK    | 0,88       | 2,05       | 1,42       | 3 **       | 0,45        | 1,66*         |

\* A reversed split of 1:80 w as executed on the 8th of December 2011

\*\* A reversed share split of 1:10 w as 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, 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](http://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<br>(TSEK)     | Group       |              |               |
|---------------------------------|-------------|--------------|---------------|
|                                 | 2015-06-30  | 2014-06-30   | 2014-12-31    |
| Interests                       | -           | 2            | 28            |
| Sales of group company          | -           | 2 000        | 2 000         |
| Exchange gains                  | 92          | 7            | 1 084         |
| <b>Total financial revenue</b>  | <b>92</b>   | <b>2 009</b> | <b>3 112</b>  |
| <b>Financial expenses</b>       |             |              |               |
| Interest                        | -407        | -482         | -838          |
| Exchange losses                 | -27         | -109         | -2 291        |
| <b>Total financial expenses</b> | <b>-434</b> | <b>-591</b>  | <b>-3 129</b> |

### 4. Depreciation and impairment

Depreciation and impairment during the 6-month period June 2015 amounted to TSEK 82 068 in the remaining operations (TSEK 87). The high number is related to the decision by NMG at end of Q2 2015 to stop all investments in the Rönnebäcken nickel project with immediate effect, and to book an associated TSEK 82 000 impairment charge of the group's immaterial fixed assets.

In the discontinued operations, depreciation and impairment were 0 for the report period but TSEK 3,710 for the first half of 2014. The latter 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 - June 2015 |          |                |               | Discontinued operations | Total          |
|--|-----------------|----------|----------------|---------------|-------------------------|----------------|
|  | Gold            | Diamonds | Nickel         | Other         |                         |                |
| Other operating income                                     |                 |          |                |               |                         |                |
| Operating result before depreciation and impairment losses |                 |          | -142           | -2 563        | -2 705                  | -2 705         |
| Impairment of mineral interests and claim                  |                 |          | -82 000        |               | -82 000                 | -82 000        |
| Depreciation according to plan                             |                 |          | -68            |               | -68                     | -68            |
| Financial items  |                 |          | -342           |               | -342                    | -342           |
| <b>Result before tax</b>                                   |                 |          | <b>-82 552</b> | <b>-2 563</b> | <b>-85 115</b>          | <b>-85 115</b> |
| Fixed assets   |                 |          | 32 614         | 21            | 32 635                  | 32 635         |
| Current assets   |                 |          | 728            | 54 894        | 55 622                  | 55 622         |
| Long-term liabilities                                      |                 |          |                | 5 000         | 5 000                   | 5 000          |
| Short-term liabilities                                     |                 |          | 387            | 7 203         | 7 590                   | 7 590          |
| Investments (gross amounts)                                |                 |          | 2 069          |               | 2 069                   | 2 069          |

  

| (TSEK)   | Jan - June 2014 |          |               |               | Discontinued operations | Total          |
|--|-----------------|----------|---------------|---------------|-------------------------|----------------|
|  | Gold            | Diamonds | Nickel        | Other         |                         |                |
| Other operating income                                     |                 |          |               | 75            | 186                     | 261            |
| Operating result before depreciation and impairment losses |                 |          | -1 679        | -5 083        | -6 762                  | -7 852         |
| Impairment of mineral interests                            |                 |          |               |               | 0                       | -3 685         |
| Depreciation according to plan                             |                 |          | -87           |               | -87                     | -112           |
| Financial items  |                 |          | -7            | 1 425         | 1 418                   | 1 429          |
| <b>Result before tax</b>                                   |                 |          | <b>-1 773</b> | <b>-3 658</b> | <b>-5 431</b>           | <b>-10 220</b> |
| Fixed assets   | 30 000          |          | 110 556       |               | 140 556                 | 140 556        |
| Current assets   |                 |          | 856           | 2 724         | 3 580                   | 3 580          |
| Long-term liabilities                                      |                 |          |               | 9 022         | 9 022                   | 9 022          |
| Short-term liabilities                                     |                 |          | 1 505         | 2 561         | 4 066                   | 4 066          |
| Investments (gross amounts)                                |                 |          | 3 529         |               | 3 529                   | 3 529          |

### 6. Receivable Alluvia Mining Ltd treated as a contingent assets according to IAS 37

This receivable 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, and has now resulted in the Swedish public prosecutor filing criminal charges against two of the Board Directors in office at that time. 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. 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. The decision in summer 2015 by the Swedish public prosecutor to file criminal charges against two of the four former NMG Board Directors for their actions in connection with the Ghana Gold-transaction is beneficial to NMG's civil court case. The criminal case may timing wise take place before the civil court case.

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 October 2015 provided the criminal case *does not impact on the planning of the civil court case*. 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 partly as equity.

#### 8. Other short 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. In view of the remaining maturity of this loan being less than 12 months, this loan is as from this report re-classified as a short term loan.

#### 9. Related party transactions

No related party transactions were recorded during the first six months 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.

*The below table shows the revenues and costs referable to the African operations.  
These amounts have been excluded from the consolidated statement of loss for the group.*

#### Discontinued operations

|  | 3 m<br>April - June<br>2015 | 3 m<br>April - June<br>2014 | 6 m<br>Jan - June<br>2015 | 6 m<br>Jan - June<br>2014 | 12 m<br>Jan - Dec<br>2014 |
|--|-----------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|
| TSEK                                     |                             |                             |                           |                           |                           |
| Other operating income                   | -                           | -                           | -                         | 186                       | 186                       |
| Other external expenses                  | -                           | -1 203                      | -                         | -1 276                    | -1 277                    |
| Personal expenses                        | -                           | -                           | -                         | -                         | -                         |
| Depreciation/impairment of fixed assets  | -                           | -                           | -                         | -3 710                    | -3 710                    |
| <b>Operating result</b>                  | -                           | -1 203                      | -                         | -4 800                    | -4 801                    |
| <i>Result from financial items</i>       |                             |                             |                           |                           |                           |
| Financial revenue                        | -                           | 11                          | -                         | 11                        | 12                        |
| Financial expenses                       | -                           | -                           | -                         | -                         | -                         |
| <b>Total financial items</b>             | -                           | 11                          | -                         | 11                        | 12                        |
| <b>Result before tax</b>                 | -                           | -1 192                      | -                         | -4 789                    | -4 789                    |
| Income tax                               | -                           | -                           | -                         | -                         | -                         |
| <b>Loss from discontinued operations</b> | -                           | -1 192                      | -                         | -4 789                    | -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 six month periods January – June of 2014 and 2015.