

Nickel Mountain Resources AB (publ) announces financial report for second Quarter 2020

Second Quarter 2020 (April – June 2020)

- Revenue for second quarter amounts to MSEK 0.0 (0.0)
- Exploration and evaluation costs for the second quarter amounts to MSEK 0.0 (3.5)
- After-tax profit for the second quarter amounts to MSEK -176.7 (-2.87)
- Profit per share for the second quarter amounts to SEK -0.34 (-0.007)

First six months (January – June 2020)

- Revenues during the first six months amount to MSEK 0.0 (0.0)
- Exploration and evaluation costs during the first six months amount to MSEK 0.0 (5.2)
- After-tax profit for the first six months period 2020 amounts to MSEK -178.2 (-1.2)
- Profit per share for the first six months amounts to SEK -0.37 (-0.003)

Significant events during the reporting period

- Extra general meeting on April 3 approved acquisition of exploration company Vilhelmina Mineral AB
- On June 5, it was resolved based on authorization from the shareholder's meeting, to issue 302,876, 739 new shares to a group of the largest shareholders of Vilhelmina Mineral for which 27,534,249 existing shares in Vilhelmina Mineral would be paid, amounting to 98.1% ownership in Vilhelmina Mineral
- An agreement with IFOX Investments AB related to sales of the Russian oil project in Tomsok was substituted by a new agreement with Connector Corporate Finance AB which is owned by board member Anders Thorsell
- On June 29 the board decided, with authorization from the shareholder's meeting, to issue 10,211,671 shares and 44 million warrants to financial advisor Craaford Capital Partner AB
- On June 30 the AGM elected a new board consisting of new directors Neil Said (chairman) Jonas Dahllöf and Peter Hjorth, and re-election of existing directors Anders Thorsell, Patric Perenius and My Simonsson
- Vilhelmina Mineral has completed a new share issue of MSEK 22 before transaction costs related to the share issue
- The Company has announced plans to sell or divest the Russian oil assets before end of 2020
- Russian oil assets have been depreciated with approximately MSEK 176 at group level and MSEK 123 in parent company. The write down has no effect on the Company's cash flow or cash position and is expected to facilitate the sales process

Significant events during the reporting

- Acquisition has been completed of 26,590,166 shares in Vilhelmina Mineral corresponding to 94.7% ownership
- Peter Hjorth has been elected new CEO
- Subsidiary Vilhelmina Mineral has revoked its application for public listing at market place NGM Nordic SME



Stockholm August 2020
Nickel Mountain Resources AB (publ)
The Board

Publication of information

This information is inside information which Nickel Mountain Resources AB (publ) is required to publish in accordance with the EU Market Abuse Regulation. The information was submitted, for publication on 21 August 2020 at 8.40 CET, by the contact person below.

Additional information

For additional information, please contact:

Peter Hjorth, CEO, Nickel Mountain Resources AB (publ), tel. +46-725 38 25 25
Email: info@nickelmountain.se

General information about the Nickel Mountain Resources

Nickel Mountain Resources is an independent Swedish company active in mine development of copper and zinc resources as well as exploration of primarily nickel, gold and oil.

The company owns approximately 95% of the subsidiary Vilhelmina Mineral, which is focusing on the development of copper and zinc deposits in the Nordic region. In Sweden, the Company owns Stekenjokk, where a total of approximately 7 million tons of ore was mined between 1976 and 1988. According to previous resource estimates, there is a remaining indicated mineral resource of approximately 7.4 million tons with grades of 1.17% Cu, 3.01% Zn and 47 g/ton Ag (at cut-off grade of 0.9% Cu). In Norway, the Company is owner in the Joma field, where approximately 11.5 million tons of ore was processed between 1972 and 1998 with an average grade of 1.5% Cu and 1.5% Zn. The Joma field (excluding Gjersvik) is estimated to contain an additional indicated mineral resource of approximately 5.7 million tons with grades amounting to 1.55% Cu and 0.82% Zn (at cut-off grade 0.8% Cu).

In 2017, the company acquired the Cypriot company Mezhlisa Resources Cyprus Ltd ("Mezhlisa"). Through the Russian subsidiary OOO Bakcharneftegaz (BNG), Mezhlisa controls 71-1 exploration and production licenses in the Tomsk region of Russia. Mezhlisa is currently registered as the owner of 72.3809 percent of BNG. Mezhlisa has, based on that, access to the exploration and evaluation project that BNG acquired at a public auction in August 2010, license 71-1 "Ellej-Igajskoje" in Tomsk Oblast, Russia. The Company conducts an exploration program of oil and gas assets on licenses 71-1 which has shown significant potential.

In addition, the Company owns the nickel projects Rönnbäcken (which is Europe's largest known undeveloped nickel resource) and Orrbäcken, as well as the gold projects Haveri in Finland and Kattisavan in Sweden. According to the mining consulting company SRK, the Rönnbäcken project contains a mineral resource of approximately 574 million tons with an average grade of 0.0174% nickel ("measured and indicated"). The preliminary economic assessment that SRK completed predicts a production of 26,000 tons of high-grade nickel concentrate per year for 20 years, which would be a significant proportion of Sweden's total annual use of nickel which thereby has a strategic value. Orrbäcken is an exploration license that is considered to have potential as a nickel deposit.

The company owns the gold project Haveri, through its subsidiary Palmex Mineral AB, which in 2014 carried out a so-called Preliminary Economic Assessment (PEA) prepared by SRK Consulting. This report estimates 1.56 million oz. historically inferred mineral resource of gold equivalents with a grade of 0.93 g/t gold.) Kattisavan is mainly considered to have potential as a gold resource and is located within the so-called gold line, close to projects such as Svartliden, Fäboliden and Barsele.