

Focusing business on base metals – new company name suggested, additional write down in value of Russian oil project and preparation to spin out asset

As previously announced, Nickel Mountain Resources AB (publ) (“the Company” or “Nickel Mountain”) intends to focus its operations on base metals that are critical input materials to the new, electrified and circular economy, such as copper, zinc and nickel. As part of the process to re-position the Company, Bluelake Mineral AB (publ) is suggested as a new company name. The goal is as previously communicated therefore to divest, enter into a partnership or otherwise find a long-term solution for the Company's Russian oil project containing exploration and production license 71-1 in the Tomsk region of Russia (the “Tomsk Project”) with a new principal for the project and long-term financing without additional capital from the Company. In light of the Company's plans to divest or enter into a partnership regarding the Tomsk Project, the Company now values the Russian oil project according to a principle of net sales value (instead of as previously based on a utilization value of assets). A revaluation according to this principle has given rise to an additional need for impairment of SEK 100 million. The write-down has no effect on the Company's cash position. In parallel with the plans to divest or enter into a partnership regarding the Tomsk Project, the Company is today initiating a process to separate the ownership of the Tomsk Project from the Company through a dividend in kind of the Russian assets to the shareholders in the Company, regardless of whether, when and how a possible deal with a new principal for the Tomsk Project has taken place.

Strategy – focusing business on minerals for the new electrified and circular economy

The Company continues its previously announced strategy with increased focus on base metals which are considered to be critical input material in the current transition to an electrified and circular economy, i.e. a transport sector, industry and society in general, which is increasingly supplied with energy which is fossil fuel free. Among these metals are copper, zinc and nickel, which are required, for example, in electric vehicles and in new batteries which are being developed for electric vehicles and other applications. Demand for these metals is expected to increase significantly while the supply side is more difficult to expand to the same extent. All in all, this constitutes basis for a long-term and stable positive price development.

In addition to these market mechanisms, there is also a development towards an increased focus within EU on global supply chains and the sourcing and origin of base metals and other critical input materials to the European industries including among other sectors, the car and battery industry, which may significantly strengthen European producers of copper, zinc and nickel in their own domestic market in Europe. Given the relatively low number of copper, zinc and nickel mines in production in Europe, this is an interesting strategic location for a company like Nickel Mountain, which has several high-quality mineral resources in these categories which are planned to be put into production. The Company's strategy with focus on metals for the new, electrified and circular economy also fits well with the Company's previously communicated objective to divest, enter into a partnership or otherwise find a long-term solution for the Tomsk Project with

a new principal for the project and long-term external financing. Ongoing discussions are expected to continue and hopefully yield concrete results before the end of the year.

Write down of shares in Mezhliisa

Due to the Company's plans to divest or enter into a partnership regarding the Tomsk Project, the Company has decided to value the Russian oil assets according to a principle of net sales value (instead of, as before, based on utilization value of the assets), which the Company communicated in connection with the interim report for the period 1 January - June 30, published on August 21, 2020. A revaluation according to this principle has given rise to an additional need for impairment. The value of the Company's shares in the subsidiary Mezhliisa Resources Cyprus Ltd ("**Mezhliisa**") has thus been written down by SEK 100 million from approximately SEK 134 million to approximately SEK 34 million. At Group level, the asset class concessions and mineral interest's has been written down by SEK 85 million from approximately SEK 119 million to approximately SEK 34 million. The write-down has no effect on the Company's cash flow or cash position.

Separation of and spin out via dividend in kind of the Tomsk Project

Mezhliisa controls the Tomsk Project through the Russian subsidiary OOO Bakcharneftegaz ("**BNG**"). Mezhliisa is currently registered as the owner of 72.4 percent of BNG. However, after the most recent registration of ownership, the Company has invested in BNG to such an extent that the right to full ownership of 74 percent exists.

The Company has today initiated a process to separate the ownership of the Tomsk Project from the Company through a dividend in kind.

All shares which the Company owns in Mezhliisa will during the first quarter of 2021 be transferred to a newly formed, wholly owned subsidiary of the Company (the "**Subsidiary**"). The Board then intends to propose at an Extraordinary General Meeting of the Company which is planned to be held during the second quarter of 2021 ("**Extraordinary General Meeting 2**") that the meeting resolves to distribute all the Company's shares in the Subsidiary (the "**Dividend**"). This means that all the Company's shareholders, as of the record date determined by the Extraordinary General Meeting 2, become shareholders in the Subsidiary, which at that time is the indirect owner of the Tomsk Project. The Company intends to carry out the Dividend regardless of whether, if, when and how a possible partnership or divestment regarding the Tomsk Project has been established.

In order to enable the Dividend and increase the Company's distributable space, the Company has today convened an Extraordinary General Meeting to be held on December 17, 2020 ("**Extraordinary General Meeting 1**"), where the Board proposes that the meeting, among other things, decides on a reduction of the Company's share capital by SEK 78,468,901.80 for allocation to a free fund to be used in accordance with a decision by the general meeting (the "**Reduction Decision**"). Authorisation to implement the Reduction Decision is expected to be obtained from the Swedish Companies Registration Office in March 2021, i.e. before a decision on Dividend is made. In order to achieve a number of shares appropriate for the Company, the Board further proposes that the Extraordinary General Meeting 1, resolves to merge the Company's share by a so called reversed share split whereby 20 existing shares are merged into one (1) new share (the "**Amalgamation**").

Proposed new company name – Bluelake Mineral AB (publ)

As part of the work to streamline operations within the Group by focusing on base metals that are critical inputs to the new, electric economy, the Board also proposes that Extraordinary General Meeting 1 resolves to change the Company's name to Bluelake Mineral AB (publ).

For more detailed information on all proposed resolutions prior to the Extraordinary General Meeting to be held on December 17, 2020, please see the notice to such Extraordinary General Meeting which will be available on the Company's website www.nickelmountain.se.

Offer to the remaining shareholders of Vilhelmina Mineral AB (publ)

Nickel Mountain currently owns approximately 98.1 percent of all shares in Vilhelmina Mineral AB (publ) ("**Vilhelmina Mineral**"). The Company plans to offer the remaining shareholders in Vilhelmina Mineral to sell their shares in Vilhelmina Mineral to the Company during the end of the first quarter of 2021 and before the Dividend is received in exchange for the receipt of newly issued shares in the Company (non-cash issue) on essentially the same terms as the sale of shares in Vilhelmina Mineral to Nickel Mountain which was completed in July 2020, and considering the Amalgamation. The details of such an offer have not yet been determined but will be announced as soon as they are approved during the first quarter of 2021. The shareholders in Vilhelmina Mineral which choose to accept such an offer will thus, together with other shareholders in the Company, receive shares in the Subsidiary through the Dividend.

Preliminary overall timetable for the implementation of separation and distribution of ownership of the Tomsk Project

Extraordinary General Meeting 1	December 17, 2020
The Subsidiary's acquisition of all shares in Mezhliisa	January – March 2021
Authorisation to implement the Reduction Decision	March 2021
Consideration shares in the Company are issued (the non-cash issue)	March 2021
Extraordinary General Meeting 2 (Dividend)	Second quarter 2021

Stockholm November 2020
Nickel Mountain Resources AB (publ)
The Board of Directors

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 November 16, 2020 at 8.40 CET, by the contact person below.

Additional information

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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.