

NORDIC MINES AB (publ)

Quarterly report January-March 2010 (Abbreviated version in English)

Uppsala, May 4th 2010

First Quarter 2010

- Nordic Mines was provided with MSEK 240 during January and February by means of a combination of a directed and a preferential rights share issue
- The feasibility study for Nordic Mines' planned mine in Laiva was published and it shows a good profitability even at gold prices far below today's levels.
- In March, the study was examined and approved by Hatch, an independent consultancy group assigned by Standard Bank
- Ongoing negotiations concerning the financing in parallel with building the mine and the infrastructure in the mining area
- The Finnish Ministry of Employment and Economy has granted Nordic Mines' Laiva project a contribution of MEUR 1,3 for infrastructural investments
- Investments were made with TSEK 7 977 (TSEK 19 046)
- The company's short term investments and liquid assets amounted to MSEK 202,3 (MSEK 66,7) at the end of the period
- Earnings after financial entries amounted to TSEK -2 736 (TSEK - 3 766)
- Earnings after taxes amounted to TSEK - 2 736 (TSEK -3 766)
- The company's earnings per share before and after dilution amounted to SEK -0,09 (SEK -0,16)

Key Ratios January-March 2010 (The Group)

TKSEK	Jan-mar 2010	Jan-mar 2009	Full year 2009
Investments	7 977	19 046	48 448
Cash and short term holdings	202 340	66 740	10 560
Cash flow	191 782	-16 575	-72 755
Result after financial items	-2 736	-3 766	-11 686

Nordic Mines in brief

Nordic Mines AB (publ) explores for gold and other metals in the Nordic region with the object of establishing proprietary mines. The company was founded in June 2005 and had, as per March 31, 2010, an equity capital of MSEK 474,5. Its head office is in Uppsala, Sweden. Since July 18, 2008, the company is listed on the NASDAQ OMX Nordic Exchange, Small Cap list, under the abbreviation NOMI.

The main focus of the operations at the moment is on developing the gold mineralization in Laiva near Raahe in Finland. Apart from Laiva, exploration for gold is also being carried out at two other sites in Finland and Sweden. Nordic Mines co-operates with a number of leading companies in the mining business, e.g. leading technology company Outotec, which is in charge of process development, consulting group CSA Global (UK) Ltd, responsible for resource calculation in Laiva, along with Lapin Vesitutkimus Oy, which has performed the environmental part of the feasibility study.

Comment by the CEO

The feasibility study for the planned gold mine in Laiva shows good profitability even at gold prices far below today's levels. The new share issue means that one more important piece to enable a mining start has fallen into place during the second quarter 2011. We are pleased that the share issue was over subscribed and that several major institutional owners have chosen to invest in Nordic Mines. The fact that the feasibility study has been finalised and approved mean that we have been able to set the investment level of the project. The task of financing the project, in which we cooperate with Standard Bank, has been intensified.

During the period, we started building roads and connecting electric cables for the mine as well as constructing the foundation of the mills, which will be delivered during the summer. We have also initiated recruiting staff and have had a great number of job applications, both from the surrounding area and from abroad. The Finnish Ministry of Economy and Employment as well as the local authorities in Raahe have also contributed in many ways to promote the Laiva project. Another important part of the preparations is different types of environmental protection measures. We have deposited EUR 900,000 to the Environmental agency for future environmental commitments.

We have decided that Outotec, which will deliver the mills, also will be responsible for the installation of these. During the purchasing process of sub-contractors, we have been able to benefit from the fact that there is a lot available capacity at the moment as there are only a few on-going mining projects.

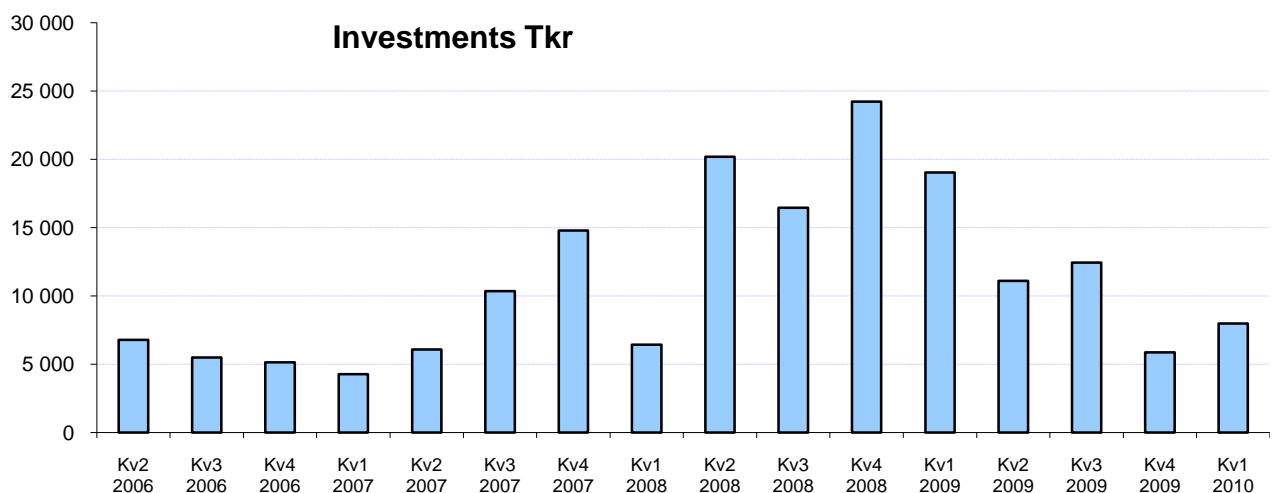
By the end of summer, the first buildings will be in place and during the autumn we will construct the processing plant. In just over a year, during the second quarter 2011, we are planning to start mining and processing in Laiva.

While preparing for starting to mine in Laiva, we are also working on extending the mineral resources in the Laiva area as well as identifying new, interesting deposits. We are extending the drilling in the Laiva area. Meanwhile, we are starting exploration drilling in Tormua in eastern Finland, near the border to Russia, as well as extending the exploration in Sweden. This is essential for us to reach our vision to become one of the leading gold producers in Europe in the long term.

Michael Nilsson, CEO

First Quarter 2010

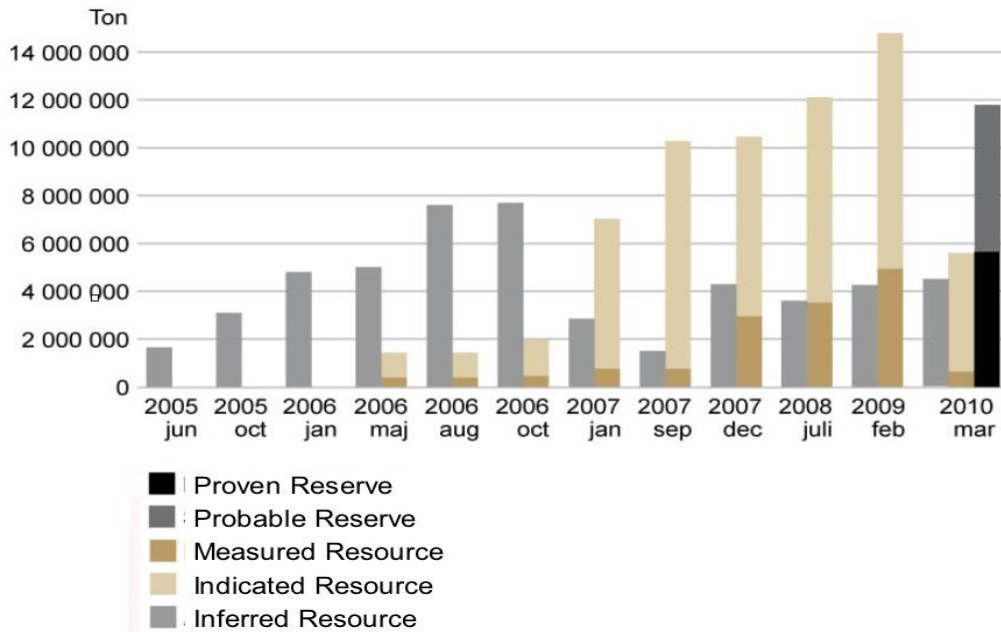
Nordic Mines' investments during the first quarter 2010 amounted to TSEK 7,977, compared to TSEK 19,046 during the corresponding period the year before. Earnings after financial entries were TSEK -2,736 (TSEK -3,766).



During the period the feasibility study for the Laiva project was finalised. The study shows that the mine will be profitable even at gold prices far below today's level.

The ore reserve, i.e. the mineral resources included in the production plan, amounts to 11.7 million tons with a gold content of 1.9 grams per ton. Apart from this, there are additional measured and indicated mineral resources of 4.9 million tons with an average content of 1.8 grams gold per ton. This means that Laiva is one of the biggest gold deposits in the Nordic region. For more detailed information, see the Annual report for 2009, page 24.

Mineral resources and ore reserve – development



The feasibility study has been examined and approved by the Hatch, an independent consultancy group assigned by Standard Bank. After reviewing the study, Roger F Price, Director, Hatch Associates Limited, has signed it off. The approval means that the study fulfils the demands of a complete feasibility study, which is necessary for financing through project loans. The complete report can be found at www.nordicmines.se.

The feasibility study is a complete technological and financial study, covering mineral resources, mining technology, mining optimization, processing plant, as well as production and investments costs. The international mining consultancy group CSA (www.csaglobal.com) have been responsible for the resource and reserve estimations and mine planning, while Outotec (www.outotec.com) is responsible of the main part of the study concerning the planned processing plant. Outotec is also in charge of the financial calculations of the project. Lapin Vesitutkimus Oy has carried out the environmental impact study. The study was published March 10th 2010 and can be found under "technical reports" on Nordic Mines' website.

Nordic Mines carried out a directed and a preferential rights share issue at the beginning of 2010. In total, Nordic Mines raised over MSEK 240 ,before issue costs, through this transaction. Through the rights issue, Nordic Mines receives approximately MSEK 60.5 m.

The share issue with preferential rights for existing share holders was over subscribed. A total of 2,327,142 new shares were subscribed for, of which approximately 99.5 percent of the subscription rights have been exercised.

In connection with the share issue with preferential rights, Nordic Mines also carried out a share issue directed at a limited number of selected institutional and other larger investors. In the directed share issue, 6,923,077 new shares were subscribed for amounting to approximately MSEK 180..

As a result of both share issues, the number of shares increases by a total of 9,250,219, to 32,521,647 shares and the share capital increases by SEK 9,250,219 SEK to SEK32,521,647 .

In February, construction of infrastructure in the Laiva area was initiated, led by the Finnish consultancy group Ahma Engineers. This work includes roads, water, sewage and electricity.

Important events after the period

The gold price was quoted at continued high levels during the start of 2010.

On April 9, the gold price reached its highest level in four months quoted in USD; over 1,165 per ounce. Uncertainty on the foreign exchange markets in combination with concern over the effects of the financial crisis in Greece contributed to the rise. According to a survey made by the Bloomberg news service, analysts expect an average gold price of USD 1,143 in 2010 and \$1,150 in 2011. The gold price also continued on high levels quoted in EUR, with a top quote of EUR 902 on May 4, 2010.



Euro

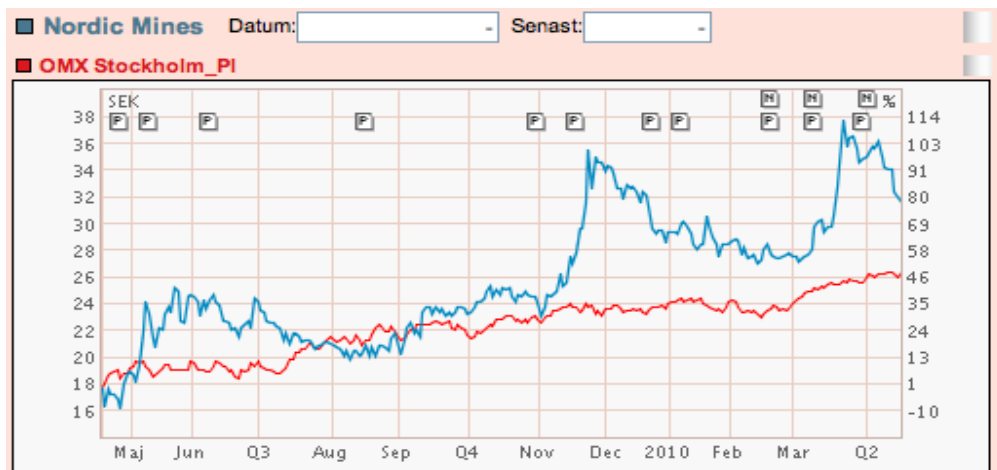
Year

The Nordic Mines' share

Nordic Mines raised Mkr 240 through a combination of a directed and a preferential rights share issue. As a result of both share issues, the number of shares increases by a total of 9,250,219 shares. On March 31, 2010, the share capital of Nordic Mines amounted to SEK 32,521,647, distributed on 32,521,647 shares, each of which with a nominal value of SEK 1. The company's share capital amounted to MSEK 474,5, or SEK 14,59 per share.

As per March 31, the Nordic Mines share was quoted at SEK 34.90, and the market value of the company amounted to Mkr 1,135 Mkr. During the first quarter, the Nordic Mines share had a highest quote of SEK 39.50 and a lowest of SEK 26.50.

Below a comparison of the **NOMI share** and the development of **OMX Stockholm P1** until April 20, 2010



Exploration cost

Tkr	3 mths	3 mths	Full year
	Jan-mar	Jan-mar	
	2010	2009	2009
Laiva	4 673	7 936	26 333
Other areas in Finland	1 729	1 487	7 149
Sweden	256	578	823
Totalt	6 658	10 001	34 305

Results for the period

Net sales were TSEK 0 (TSEK 0). Earnings after financial entries during the first three months were TSEK -2,736, compared to TSEK -3,766 during the corresponding period the previous year. Administration costs amounted to TSEK -2,899 (TSEK -3,907) and were lower than the corresponding period the previous year.

The main parts of the costs are related to marketing, financial and legal financial consultation regarding the final financing of the Laiva project.

Cash flow and financial position

The cash flow from on-going operations during the first three months amounted to TSEK -17,691, compared to TSEK -214 during the corresponding period the previous year. At the end of the period, the company's share capital amounted to MSEK 474,5, short-term investments and liquid assets to MSEK 202,3 and the solidity was 94,3 per cent.

At the beginning of the year, Nordic Mines carried out a combination of a directed and a preferential rights share issue. In total, Nordic Mines raised over MSEK 240, before expenses, through this transaction. Nordic Mines is facing a period of extensive investments. The company has reached far in its negotiations about the project financing. The company will publish a deferred tax claim on the deficits as soon as a decision about the financing has been reached.

Employees

The company had 12 employees at the end of the period, compared to 11 the year before. Seven of these worked in Sweden and five in Finland. Apart from these, the company hires a number of consultants and entrepreneurs in different projects.

The Group

Nordic Mines AB has two Swedish subsidiaries, Nordic Mines Optioner AB (556751-9671), formed in April 2008, and Nordic Mines Marknad, formed in October 2008. None of these companies are in operation. In July 2009, a branch was formed in Finland, Nordic Mines AB (publ), filial Finland (2272959-9). In November 2009 a subsidiary was formed in Finland for Nordic Mines Marknad AB, Nordic Mines OY (2296579-4).

Income statement (The group)

	3 mths Jan-mar 2010	3 mths Jan-mar 2009	Full Year 2009
TKSEK			
Administrative costs	-2 899	-3 907	-10 061
Other operating income	30	-	-
Other operating cost	-	-	-1 756
Operating result	-2 869	-3 907	-11 817
Financial items, net	133	141	131
Result after financial items	-2 736	-3 766	-11 686
Income tax	-	-	-
Result for the period	-2 736	-3 766	-11 686
Total result other	-	-	-
Total result other for the period	-	-	-
Total result for the period	-2 736	-3 766	-11 686
Net result attributable to:			
The parent company's shareholders	-2 736	-3 766	-11 686
	-2 736	-3 766	-11 686
Summa totalresultat hänförligt till: moderföretagets aktieägare	-2 736	-3 766	-11 686
	-2 736	-3 766	-11 686
Average number of shares before dilution, thousand	30 025	23 271	23 271
Average number of share after dilution, thousand	30 025	23 271	23 271
Basic earnings per share	-0,09	-0,16	-0,50
Diluted earnings per share	-0,09	-0,16	-0,50

Balance Sheet (The Group)

TKSEK	31 mar 2010	31 mar 2009	31 dec 2009
Assets			
Non-current assets			
Intangible fixed assets	164 168	133 420	157 724
Tangible fixed assets	29 316	24 246	28 336
Financial fixed assets	8 782	-	-
Total non-current assets	202 266	157 666	186 060
Current assets			
Other current assets	98 690	51 159	96 992
Cash and short term holdings	202 342	66 740	10 560
Total current assets	301 032	117 899	107 552
SUMMA TILLGÅNGAR	503 298	275 565	293 612
EQUITY AND LIABILITIES			
Equity	474 499	258 019	250 100
Long term liabilities	13 824	10 706	14 727
Current liabilities	14 975	6 840	28 785
TOTAL EQUITY AND LIABILITIES	503 298	275 565	293 612

Changes in equity (The Group)

TSEK	Equity	Other reserves	Retained earnings	Total equity
Opening balance at January 2009	23 271	247 447	-8 932	261 786
Total resultat				
Result of the period	-	-	-3 766	-3 766
Total result of the period	-	-	-3 766	-3 766
Closing balance at 31 March 2009	23 271	247 447	-12 698	258 020
Opening balance at January 1 2010	23 271	247 447	-20 618	250 100
Total resultat				
Result of the period	-	-	-2 736	-2 736
Total result of the period	-	-	-2 736	-2 736
Transactions with the shareholders				
New share issue	9 250	231 255	-	240 505
Issue expenses	-	-13 370	-	-13 370
Total transactions with the shareholders	9 250	217 885	-	227 135
Closing balance at March 31 2010	32 521	465 332	-23 354	474 499

	3 mths Jan-mar 2010	3 mths Jan-mar 2009	Full year 2009
TKEK			
Cash flow from operating activities before change in operating capital	-2 183	-3 548	-10 340
Change in operating capital	-15 508	3 334	-20 549
Cash flow from the operating activities	-17 691	-214	-30 889
Cash flow from investment activities	-16 759 *	-19 046	-48 448
Cash flow from the financing activities	226 232	2 685	6 582
Changes in liquid assets and investments	191 782	-16 575	-72 755
Liquid assets and investments at the start of the period	10 560	83 315	83 315
Liquid assets and investments at the end of the period	202 342	66 740	10 560

* of which 8 782 KSEK is a deposit to the Finnish environmental authorities

Key Ratios (The Group)

	Jan-mar 2010	Jan-mar 2009	Full year 2009
Investment in exploration and development	6 658	10 001	34 305
which in Laiva	4 673	7 936	26 333
Result after financial items	-2 736	-3 766	-11 686
Return on total assets, %	Neg	Neg	Neg
Return on equity, %	Neg	Neg	Neg
Equity/assets ratio, %	94,3%	93,6%	85,2%
Balance sheet total, TSEK	503 298	275 565	293 612
Average number of employees	12	12	12
Number of employees at the end of the period	13	11	12
Equity per share after dilution	14,59	11,09	10,75
Number of shares, thousand	32 522	23 271	23 271
Number of shares after dilution (at the end of the period), thousand	32 522	23 271	23 271
Number of shares after dilution (average), thousand	30 025	23 271	23 271
Cash flow per share	5,90	-0,82	-3,13

Financial information

Nordic Mines expects to distribute financial reports according to following time schedule:

August 17, 2010	Quarter 2, 2010 report
November 17, 2010	Quarter 3, 2010 report
February 17, 2011	Full year report 2010

For further information, please contact:

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