

Press release 2010-07-22

Credit facility approved for the Laiva mine

A consortium consisting of Standard Bank Plc, UniCredit Bank AG and the Finnish state investment bank Finnvera (together the í Mandated Lead Arrangersí or í MLAsí) has approved a Senior Secured Loan Facility (the í Facilityí) totalling Ö53 million to finance Nordic Mines' gold mine project in Laiva, near Raahe in middle Finland.

These commitments of the MLAs mean that we now have full funding for budgeted investments and working capital in place to start gold mining in Laiva in Finland. Work on the project is already progressing, with mine development, installation of processing machinery, and the necessary infrastructure. We expect to start operation of the mine in the summer of 2011, says Michael Nilsson, CEO of Nordic Mines.

The gold deposit in Laiva is one of the largest in the Nordic region. The ore reserves amount to 11.7 million tonnes with a gold content of 1.9 grams per tonne. There are a further 4.9 million tonnes of measured and indicated resource with an average gold content of 1.8 grams per tonne. Once the mine is fully in operation, it is expected to generate approximately " 100 million, corresponding to approximately SEK1 billion, per year assuming current gold prices.

According to the feasibility study that was presented in March this year, the total investment in the Laiva project will be " 70 million. There is also a contingency of " 7 million for unforeseen costs.

The Board and the Management of Nordic Mines are delighted that two reputable international banks with extensive experience in mining have, after comprehensive due diligence, committed to fund the project. This, together with the " 30 million that Nordic Mines has already raised in two rights issues in 2008 and 2010, means that we are well placed to complete the investment in the Laiva project, says Michael Nilsson.

The MLAs commitment provides Nordic Mines with a " 53 million Facility which is available for drawing over a period of 24 months. " 10 million of cost overrun funding will also be made available by way of a " 6 million subordinated loan from Finnvera and " 4 million from Nordic Mines AB. The term of the Facility is five years with an option for early repayment. MLAs Commitments are subject to final documentation and completion of the remaining due diligence. In addition to the Facility, Standard Bank and UniCredit will provide credit lines to mitigate gold price, exchange rate and interest rate risk.

For further information:

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Nordic Mines is a Nordic company whose operations are focused on exploring for and mining gold. Its vision is to become one of the leading gold producers in Europe as well as a role model in respecting the environment. Gold mining will begin in Laiva in Finland in 2011. The gold deposit is one of the largest in the Nordic region. Exploration is also in progress in other areas in Finland and Sweden. Nordic Mines is based in Uppsala and its shares are traded on the Nasdaq OMX Small Cap index. Read more at www.nordicmines.se

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About UniCredit Bank

UniCredit Bank AG, a member of UniCredit Group, has been an active mining finance house for over 20 years catering to the needs of its diverse and broad client base. Its deep rooted industry and sector knowledge, coupled with its expertise in complementary banking and risk management services, makes UniCredit Group a strong partner in financing the mining and metals industries. UniCredit Group is a major international financial institution with strong roots in 22 European countries as well as representative offices in 27 other markets, with over 10,000 branches and approximately 170,000 employees.