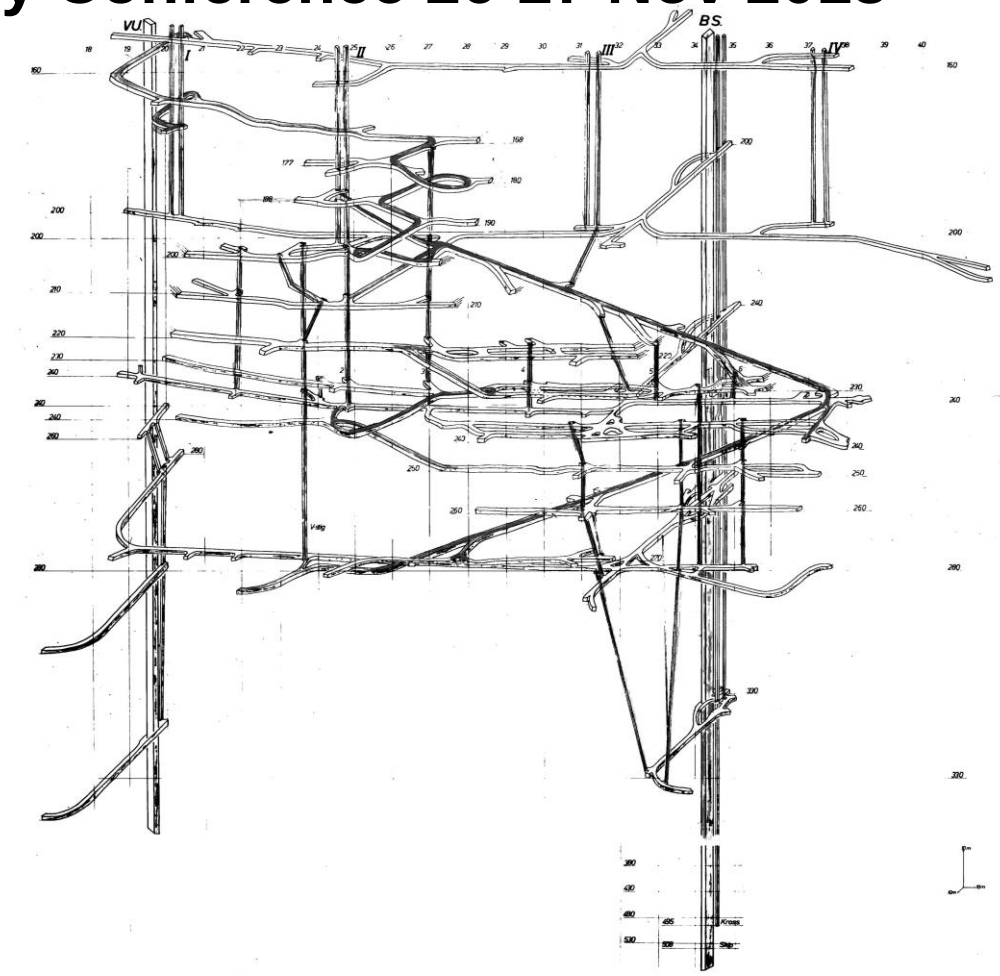
Europe’s next iron ore producer

IntierraRMG - Mining on the Top – Stockholm 10th Anniversary Conference 26-27 Nov 2013



Nordic Iron Ore™

Agenda

- **Introduction**
- Investment highlights
- Financial information
- Conclusion

Nordic Iron Ore at a glance

- Restarting Ludvika Mines
  - Blötberget – concession granted
  - Väsman field – under further exploration
  - Håksberg – concession granted
- A brownfield iron ore project
- Existing rail from mine to deep water port
- Environmental permit expected shortly
- Scoping study shows very attractive ROI

Nordic Iron Ore - Project Up date

Major Achievements 2013

- ✓ New Scoping study Ludvika Mines - double production capacity
- ✓ Definite Feasibility Study - Phase 1 Blötberget commenced
- ✓ New Financier - State Investment Fund Inlandsinnovation AB
- ✓ Increase in mineral resources; + 180%
- ✓ LoI Oxelösund Port – secured port alternative
- ✓ National Transport Administration – Commenced the rail project
- ✓ 1st Customer – LoI for coarse fines
- ✓ Environmental Court proceedings commenced October

Our targets

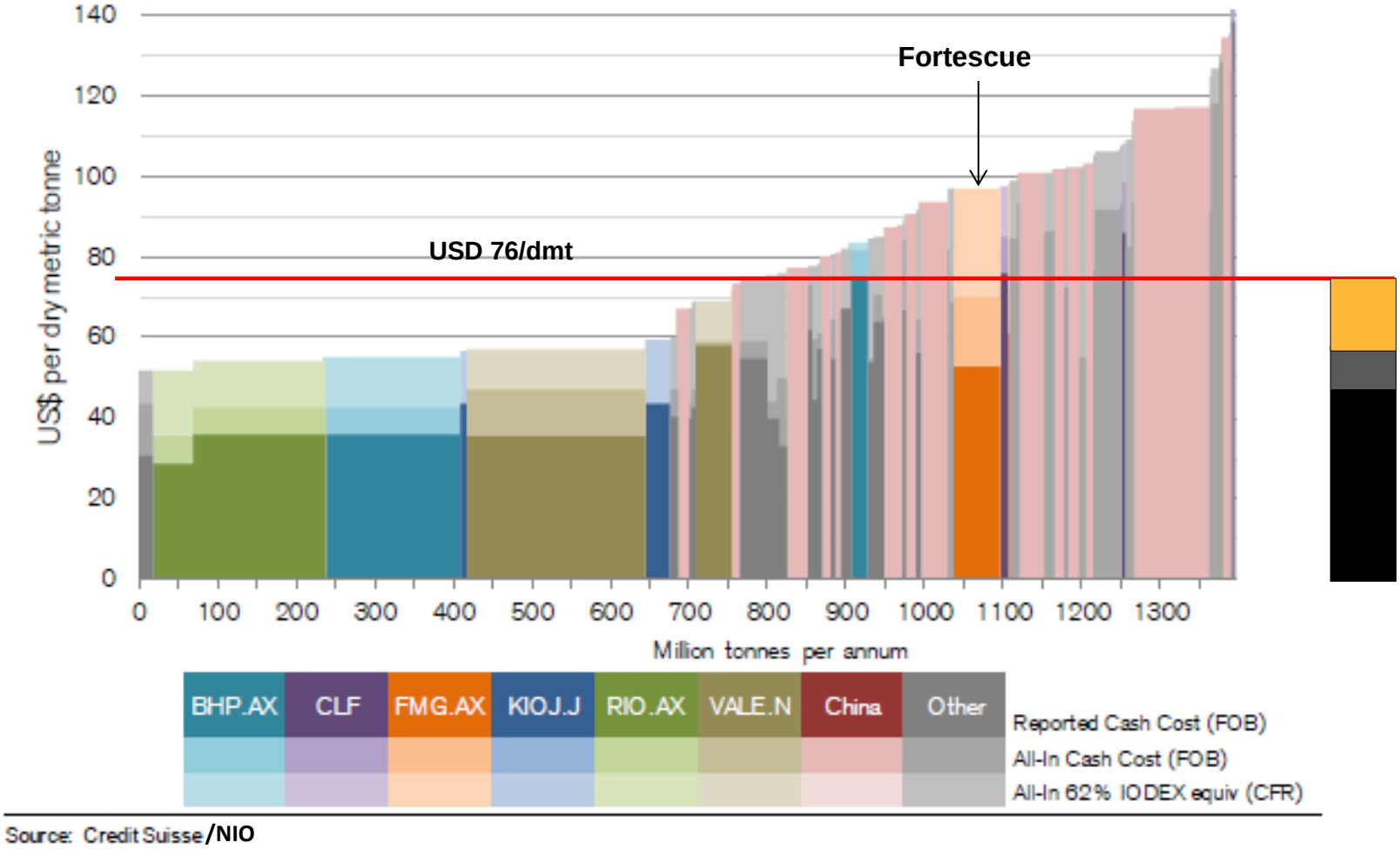
- Production 4.3 Mtpa
- Production start coarse fines: Q3 2015
- Start new beneficiation plant Q3 2016
- Concentrate 67% Fe or better

Solid economics

- IRR 24 per cent
- Pay back period 5.4 years
- At least 15 year life of mine

Competitive cost level

Competitive cash cost and premium product



Source: Credit Suisse/NIO

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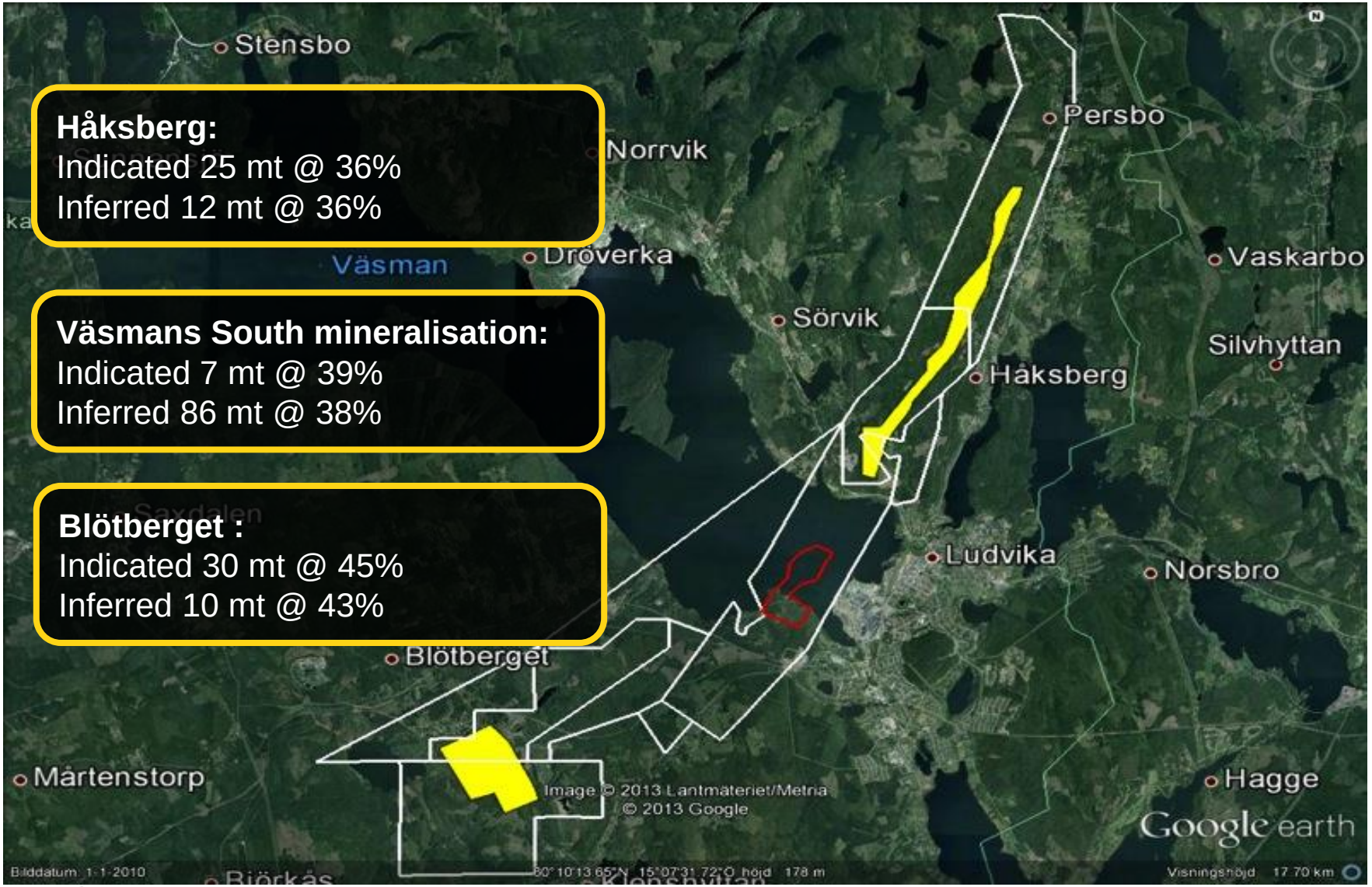
One of Sweden's largest mineralisations

One of Sweden's largest iron mineralisations

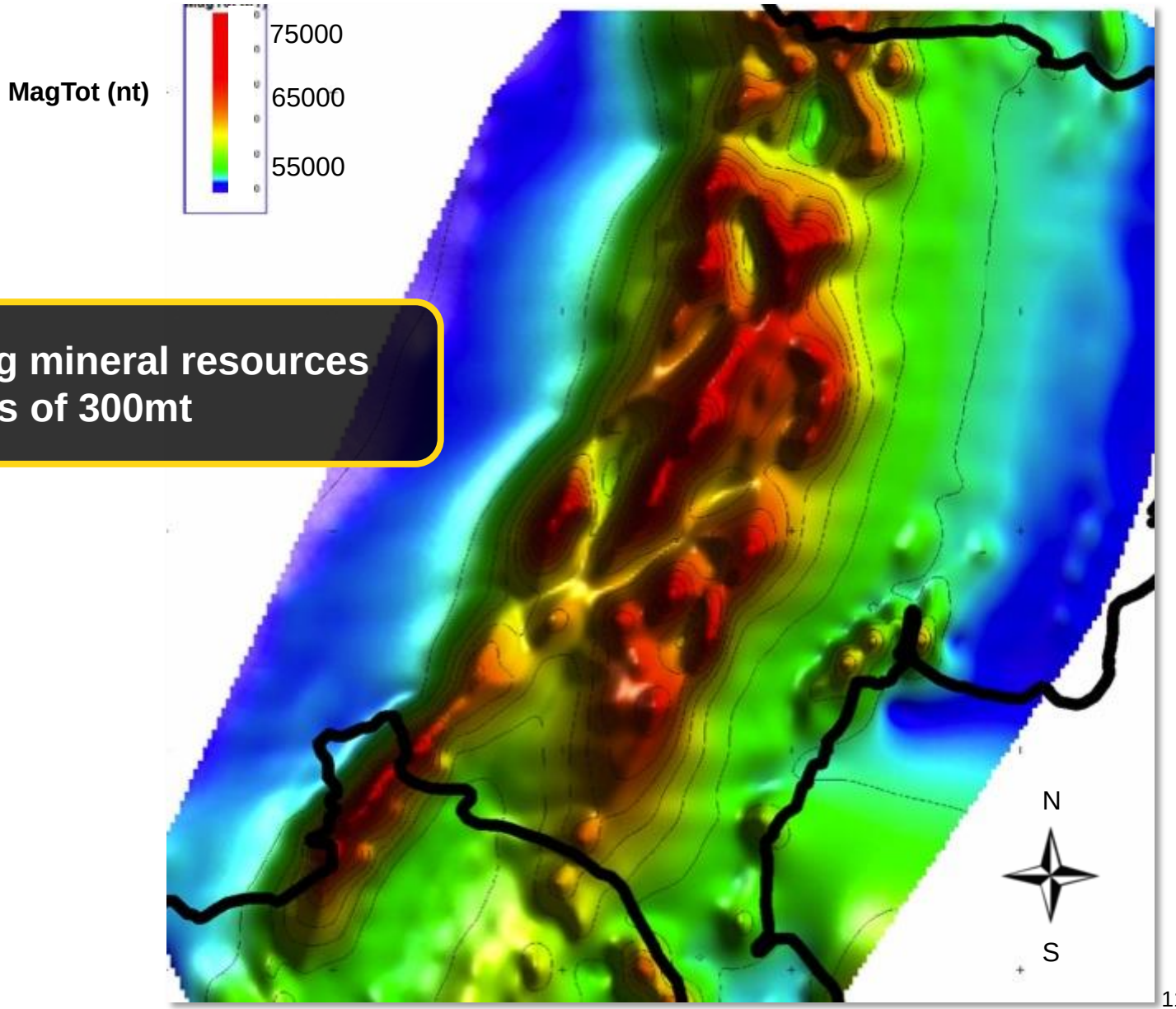


Håksberg:
Indicated 25 mt @ 36%
Inferred 12 mt @ 36%

Väsmans South mineralisation:
Indicated 7 mt @ 39%
Inferred 86 mt @ 38%

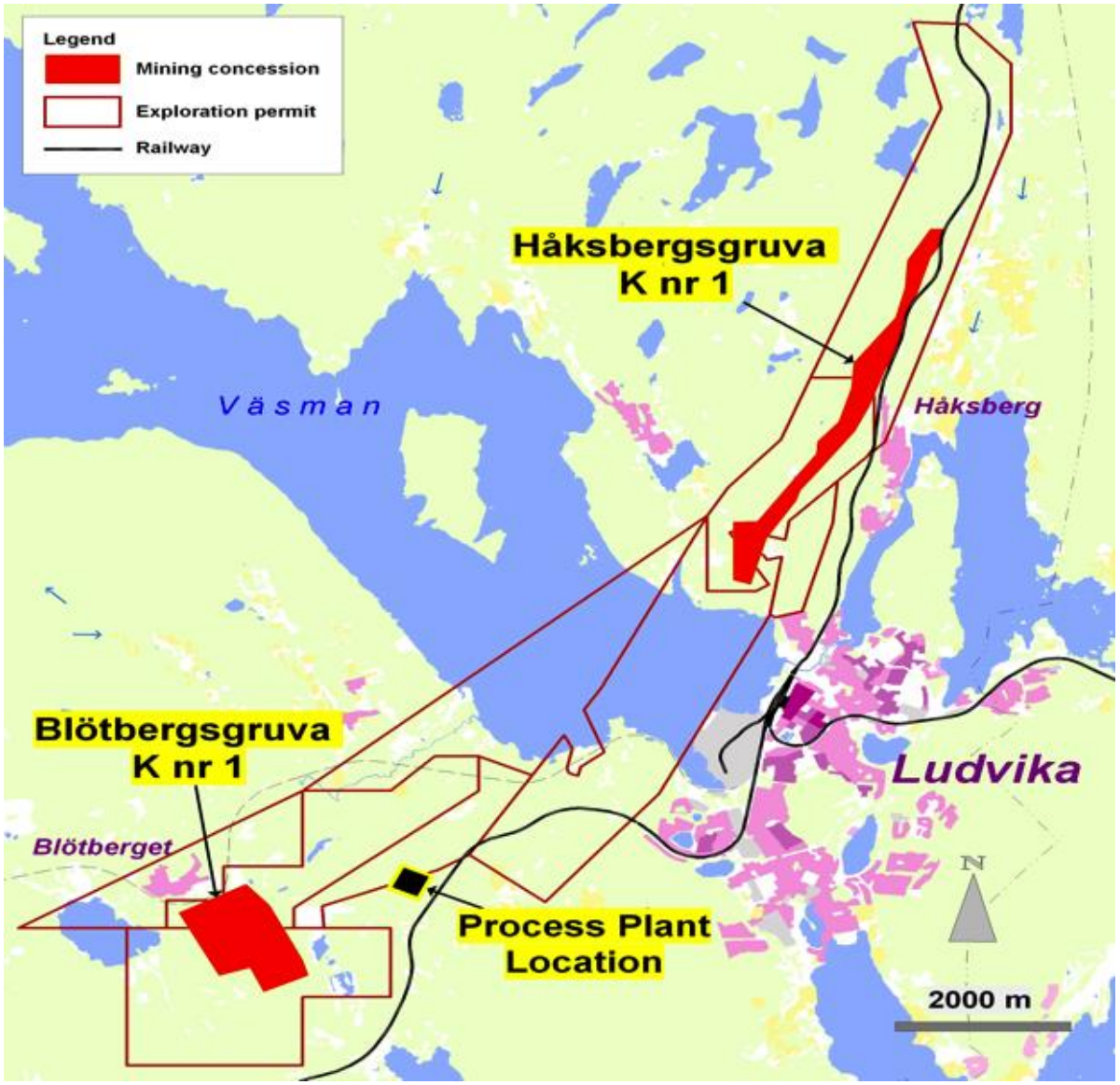
Blötberget :
Indicated 30 mt @ 45%
Inferred 10 mt @ 43%

Expansion potential

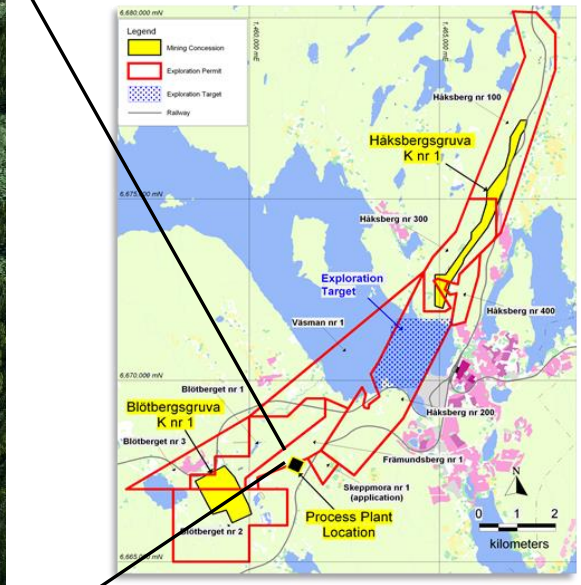


Targeting mineral resources in excess of 300mt

Beneficiation plant next to existing railway



Processing plant and terminal in Skeppmora (Blötberget)



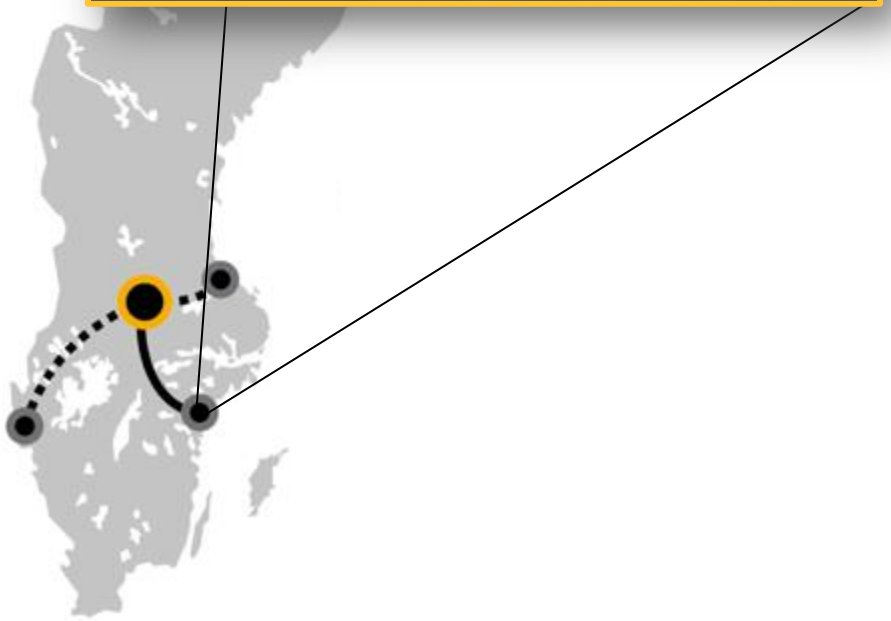
Existing Rail Road: Bergslagsbanan

Processing plant designed for expansion

1) mtpy = million tonnes per year

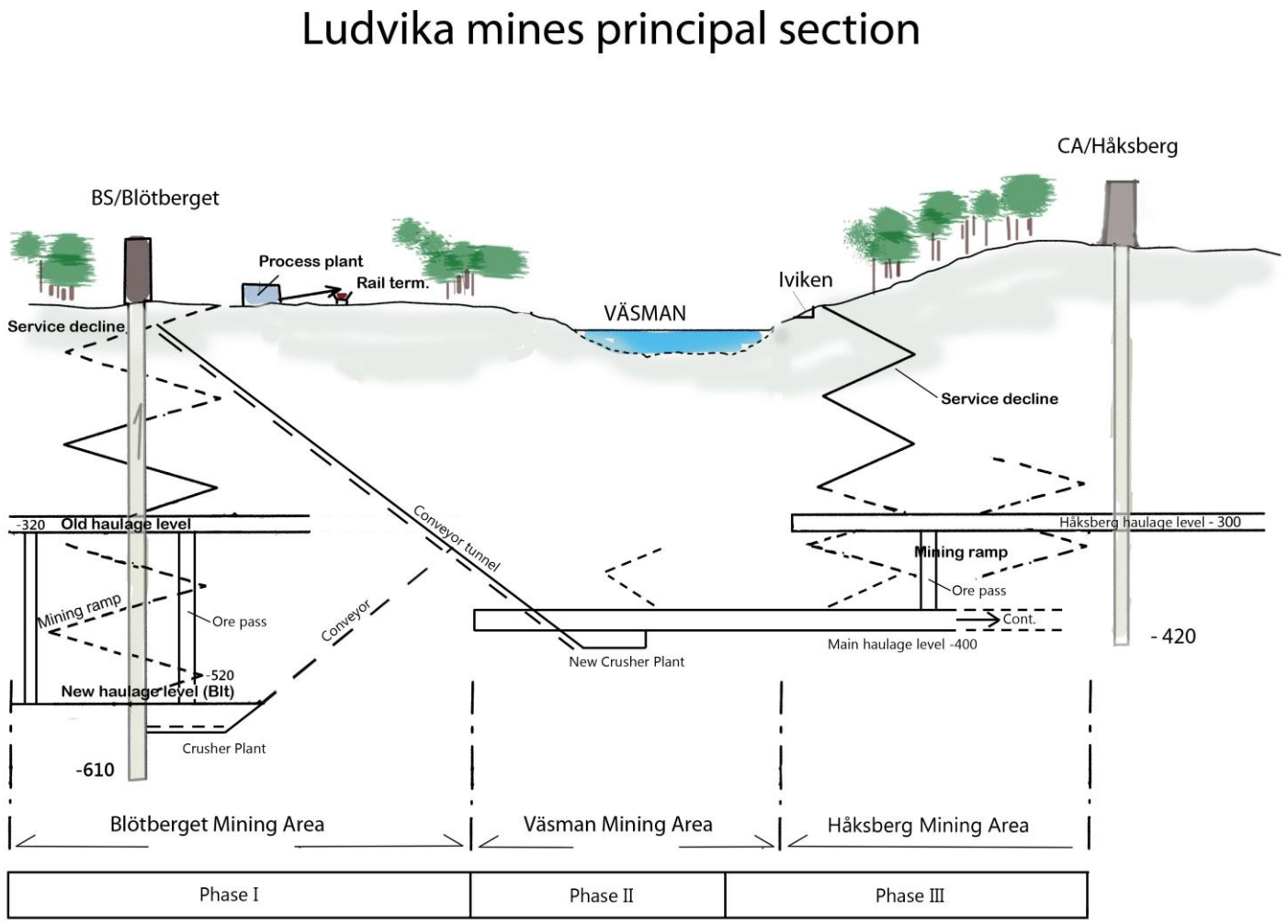
Existing logistics – Large Competitive Advantage

- Existing railway from mine to deep water port
- MSEK 900 (MUSD 130) committed by government for refurbishment of railway
- All year ice free port
- Baby Cape/Panamax capacity
- LoI signed with Oxelösund port



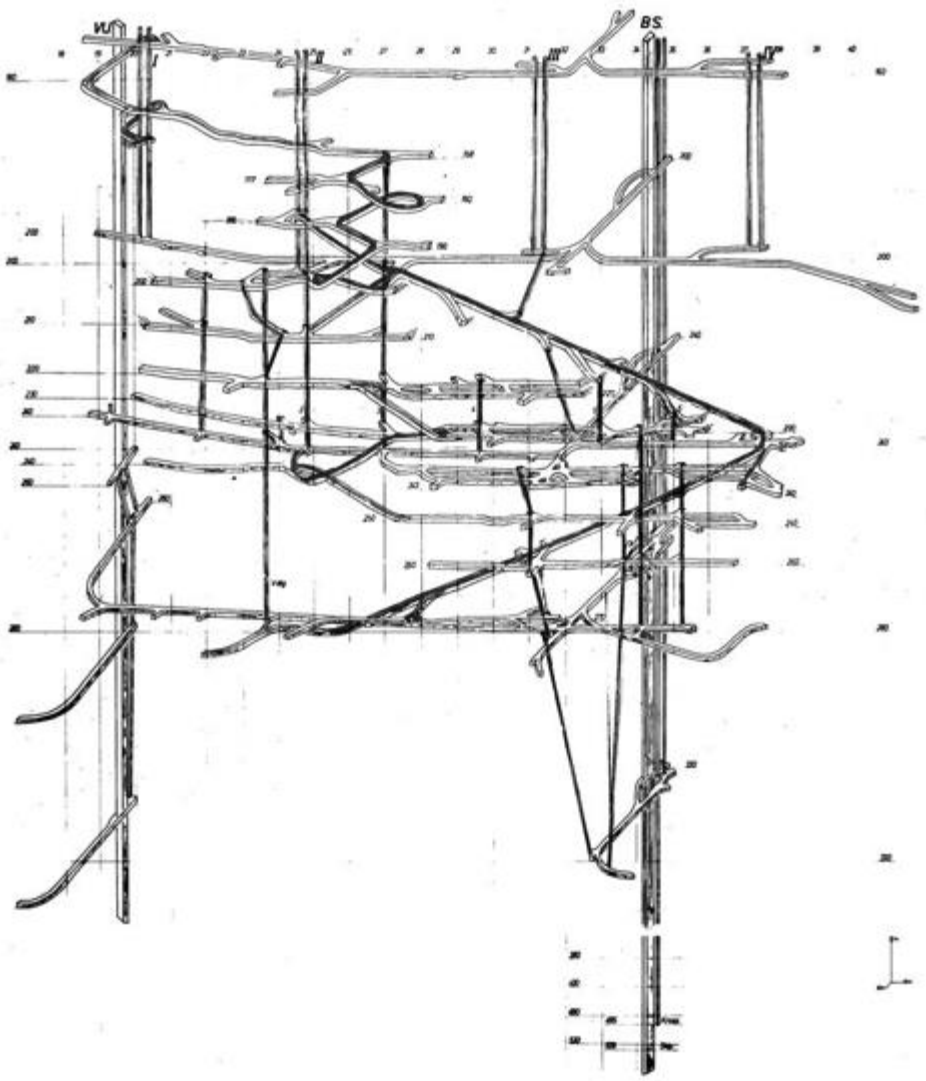
Integrated scaleable project

Development in three phases



Low development risk

- Scalable project
- Experienced team
- Existing mine infrastructure



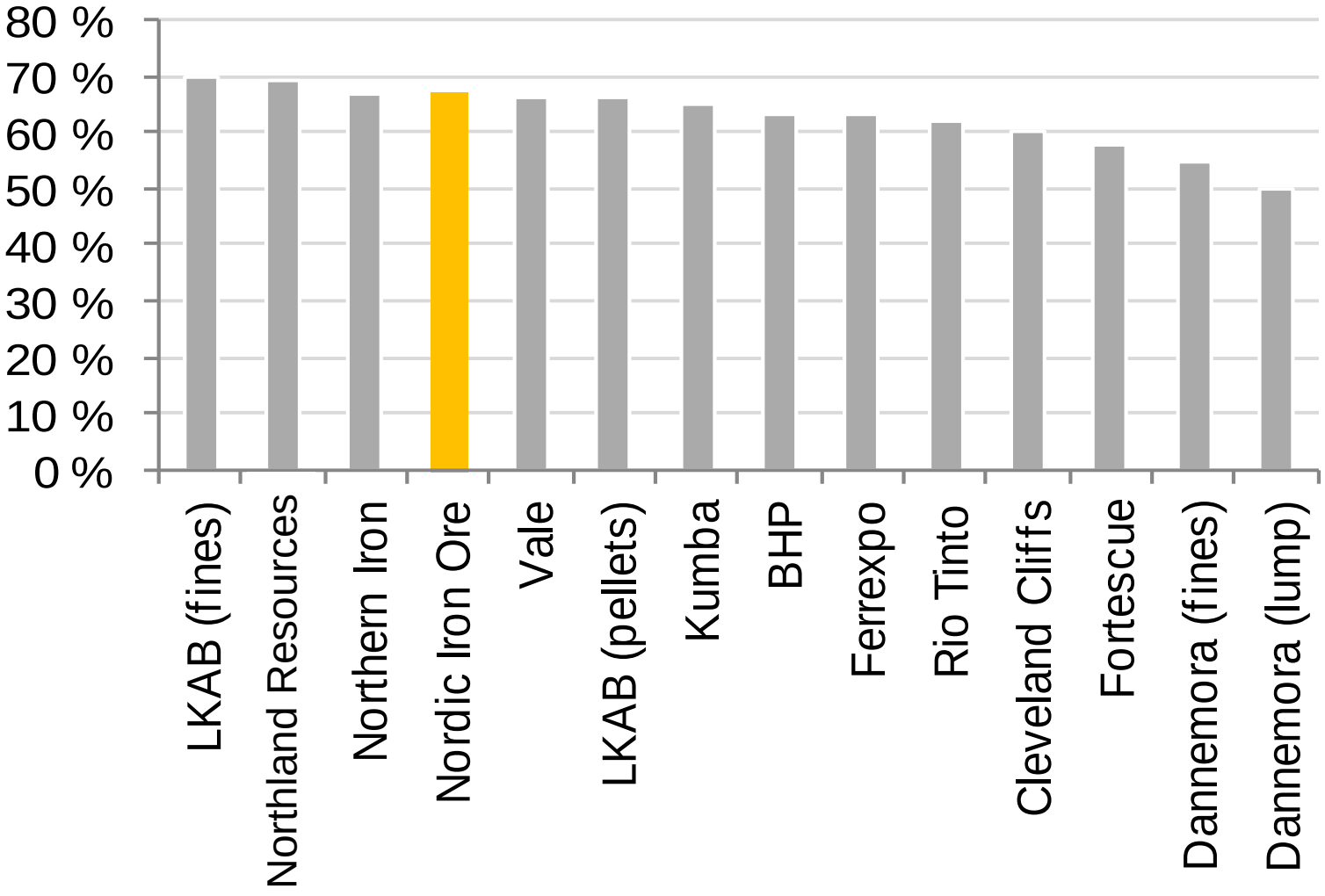
Product price premium

- High quality product
- 67% Fe Concentrate

High quality product

NIO will produce high quality pellet fines (possibility to produce sinter fines), expected to yield premium pricing

Comparison of average % Fe

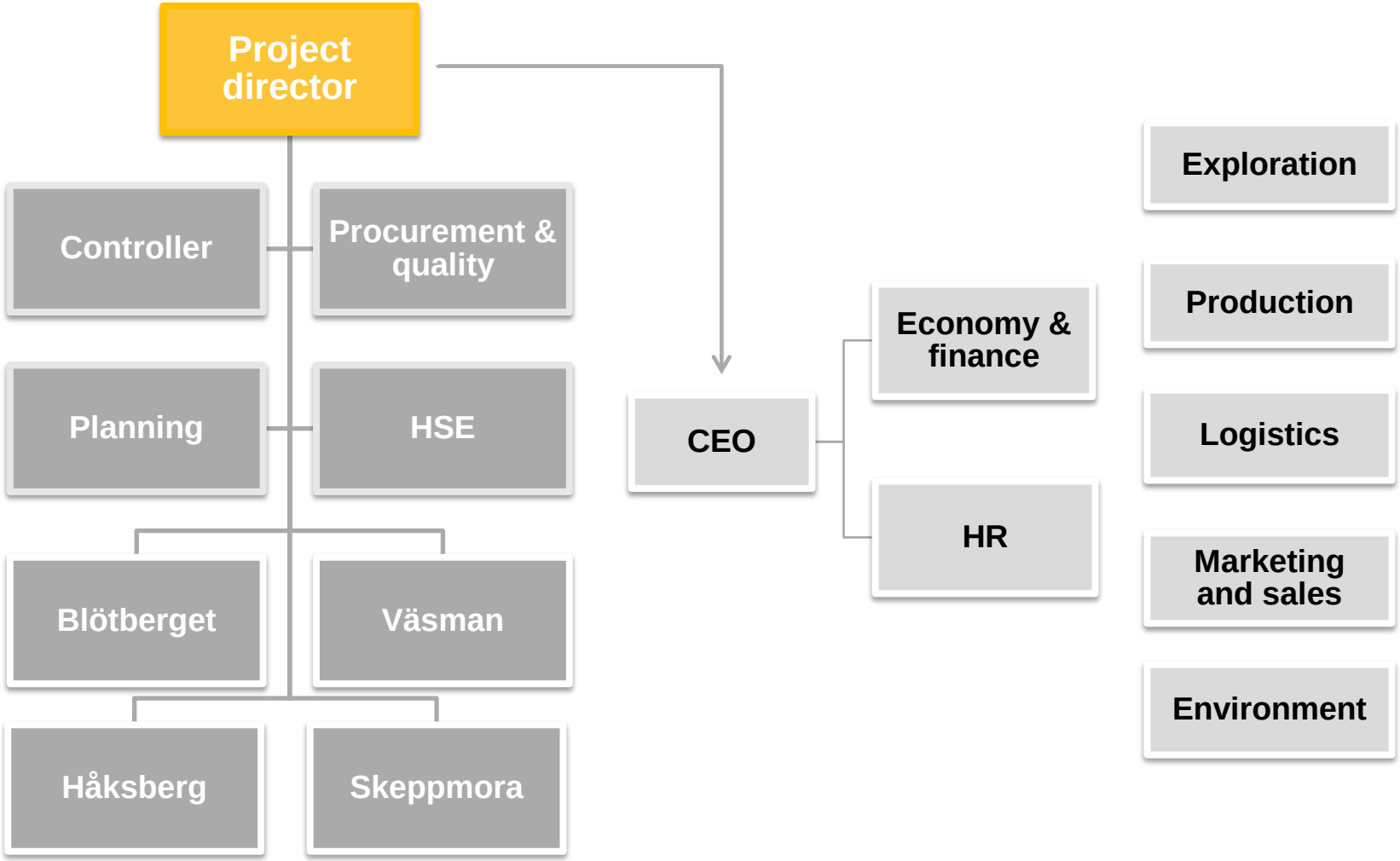


Risk mitigation

Construction risk and process risk greatly reduced due to:

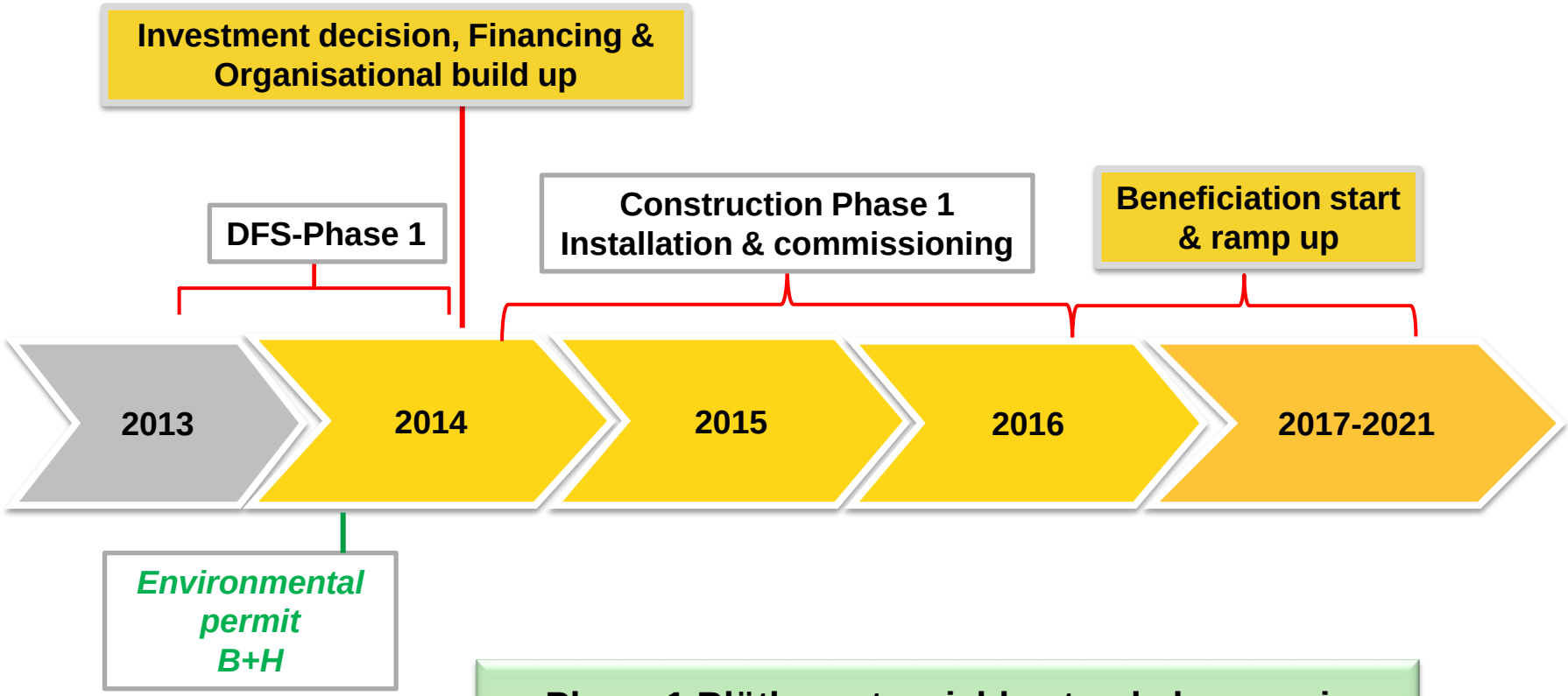
1. Complete DFS before final investment decision
2. Experienced project management team
3. Detailed planning and close monitoring of schedule
4. Focus on cost control and follow up systems
5. Professional procurement with close monitoring of contractors

Risk mitigation – separate project organisation



Project development schedule

- Key milestones



- **Phase 1 Blötberget – viable stand alone project:**
  - **IRR 18%**
  - **Cash cost USD 47/dmt (FOB)**
  - **Pay back 4.3 years**

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Attractive economics

Exemple calculation at full production, USD/t

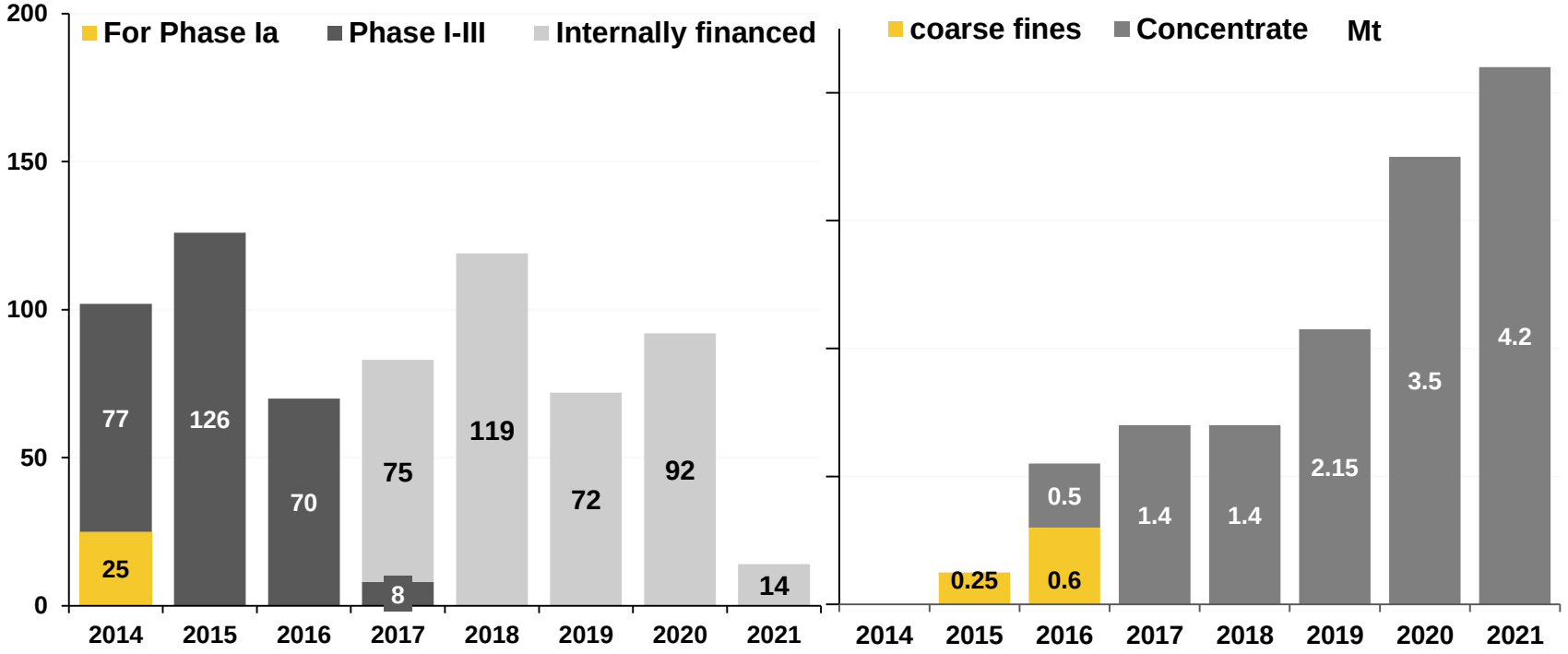
Assumed long term price (62% Fe)	120
Premium (67% Fe)	+15
Freight	–24
FOB	**111**
OPEX*	-52
OH-cost	-1
Financing cost**	-10
Margin	**48**

During the first 2 years OPEX will be higher
****** Financing cost should be lower after ≈ 5 years***

Capex incl DFS and production ramp-up

(Pre financing cost and pre tax)

- Second fund raise only after production start Phase I
- Revenue from Q3 2015
- Gradual ramp up of logistics chain
- Large part of Capex financed internally - external need MUSD 306



Key figures

- Targeting a 4.3 Mtpa operation
- OPEX 51.5 USD/t
- CAPEX to full production USD 678 million
- Pay back period ≈ 5.4 years
- NPV (@ 8.0%) USD 952million
- IRR 24%

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Conclusion

1. Large mineralization with expansion potential
2. High quality product
3. Low development risk
4. Very competitive OPEX and existing logistics

Thank you

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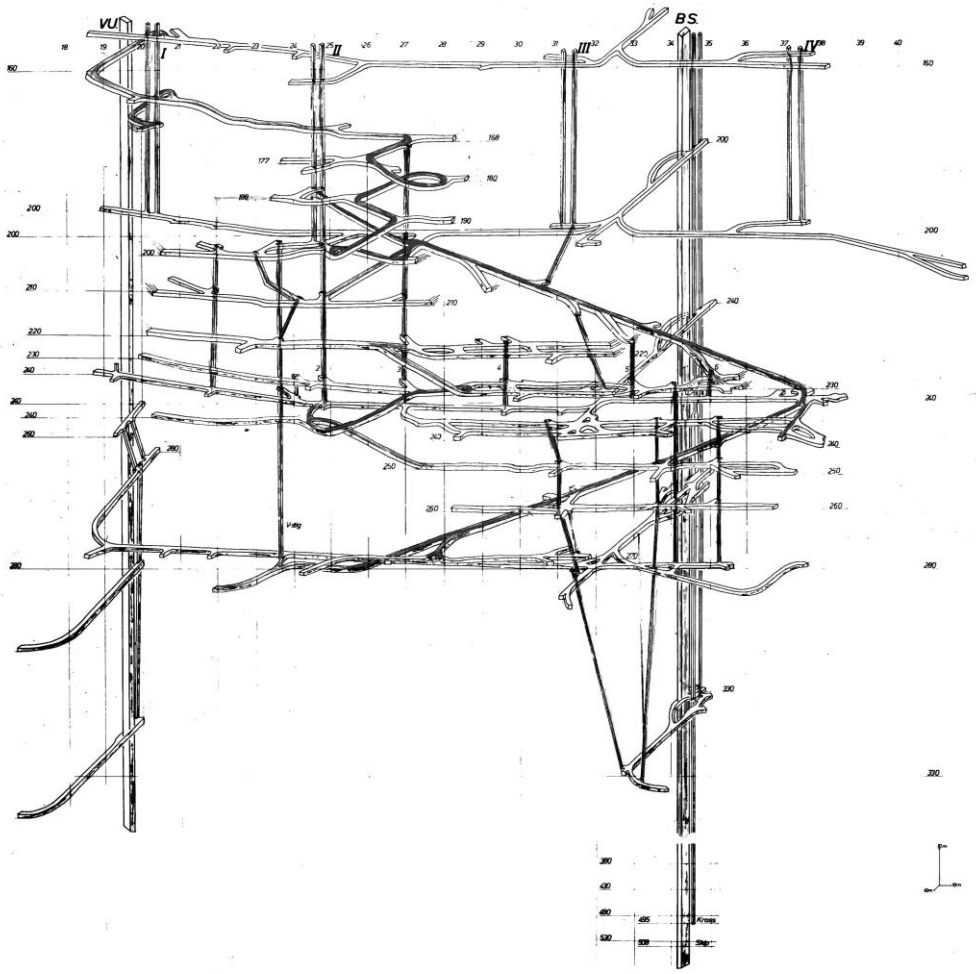

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