

Vilhelmina Mineral 's majority shareholders sign a share sale agreement with Nickel Mountain Resources

Vilhelmina Mineral AB (publ) ("Vilhelmina Mineral") announces that Nickel Mountain Resources AB (publ) ("Nickel Mountain ") today has entered into an agreement with owners of 92.5 % of the shares in Vilhelmina Mineral to acquire their shares against payment in newly issued shares in Nickel Mountain. Before the transaction is completed, Vilhelmina Mineral will be financed through a rights issue of SEK 23 million, which is 100% covered by guarantees and subscription obligations. In addition, Vilhelmina Mineral has entered into an agreement for additional financing of approximately SEK 3.3 million through Norwegian regional funds. The affair with Nickel Mountain requires, among other things, the approval of an Extraordinary General Meeting of Nickel Mountain.

About Nickel Mountain:

Nickel Mountain is an independent company active in the exploration of primary oil, gas, nickel, and gold. In 2017, Nickel Mountain acquired the Cypriot company Mezhliisa Resources Cyprus Ltd ("Mezhliisa"). Mezhliisa controls through the Russian subsidiary OOO Bakcharneftegaz ("BNG") exploration and production license 71-1 in the Tomsk region of Russia. Mezhliisa is currently registered the owner of approximately 72.4 percent of BNG. Mezhliisa thus has access to the exploration and evaluation project that BNG acquired at a public auction in August 2010, license 71-1 "Ellej-Igajskoye" in Tomsk Oblast, Russia. Nickel Mountain conducts an exploration program of oil and gas under license 71-1 within which Nickel Mountain has shown significant potential. Furthermore, Nickel Mountain owns the following nickel and gold projects: Rönnbäcken (which is Europe's largest known undeveloped nickel asset), Orrbäcken and Kattisavan in Sweden. According to SRK, the Rönnbäcken project includes a resource of 668 million tonnes according to the "measured & indicated" categories. The preliminary economic study completed by SRK envisages a production of 26,000 tonnes of high-grade nickel concentrate per year for 20 years, which would be a significant proportion of Sweden's total annual use of nickel, and have a strategic value. Orrbäcken is a exploration license that is considered to have potential as a nickel deposit. Kattisavan is considered primarily to have potential as a gold resource. Kattisavan is within the so-called gold line, close to projects such as Svartliden and Fäboliden and Barsele.

"We are very pleased to announce this exciting business" says Nickel Mountain 's Chairman of the Board Patric Perenius and adds "We have previously announced that we see an increased interest in our own nickel project in Rönnbäcken, due to a generally increased interest in base metals used in the major energy conversion that is happening in the world. Among other things, copper is needed as a key component in the propulsion of the electric cars that are now rolling around the world. Therefore, it feels good to be able to broaden our portfolio in base metals through the acquisition of Vilhelmina Mineral, whose operations fit well geographically with our nickel project in Rönnbäcken. In this way, we create an exciting portfolio, and at the same time get a greater critical mass and better risk spread in the expanded Nickel Mountain group. We continue to strongly

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believe in our Russian project in Tomsk and fully committed to this project, as the Vilhelmina acquisition comes in place with a competent management which also complements us and creates a solid foundation for our company”.

Vilhelmina Mineral’s CEO Peter Hjorth says: “The deal brings together a number of mineral projects that are well positioned in the green transition of the industry and society. Metals such as nickel, copper and zinc are necessary to cope with the electrification of the transport and other industrial sectors. We are looking forward to working with the board and management of Nickel Mountain to take these projects into the next phase”.

Terms of the deal:

The acquisition of the shares in Vilhelmina Mineral s made via a rights issue where 11 (eleven) newly issued shares in Nickel Mountain are paid for each acquired share in Vilhelmina Mineral.

The value of the shares in Vilhelmina Mineral has been calculated of the buyer through a discounted cash flow valuation as well as a multiple valuation for both comparable companies and transactions. As a basis for the cash flow valuation are partly conservative assumptions made by the Board of Directors of Nickel Mountain and conducted financial, technical and legal corporate reviews.

In negotiations regarding the purchase price and the exchange ratio (11:1), the starting point has been a price per share in Nickel Mountain of SEK 0.30 and a price per share in Vilhelmina Mineral of SEK 3.30. On the last half day prior to the signing of the agreement, on March 6, 2020, the closing price of the Nickel Mountain share on NGM Nordic SME was SEK 0.29, which means that the transaction at this date values the shares in Vilhelmina Mineral at SEK 3.19 per share. However, the final value that the Vilhelmina shares are actually assigned in the non-cash issue is only determined when the transaction is carried out and the Board, supported by the authorization from Nickel Mountain 's Extraordinary General Meeting, decides on the non-cash issue.

The total number of shares in Vilhelmina Mineral is calculated after the rights issue is completed and at the time of the rights issue amounting to about 28 million shares, which is why the total number of shares issued in Nickel Mountain in the rights issue is estimated to about 309 million shares, which would then be about 37.6 percent of the total number of shares in Nickel Mountain . The affair is conditional on, among other things, that the Extraordinary General Meeting of Nickel Mountain approves the transaction and authorizes the Board of Directors of Nickel Mountain to decide on the issue of the consideration shares through a rights issue. Notice of such Extraordinary General Meeting will be published separately well in advance of the Extraordinary General Meeting.

After completing 100% guaranteed rights issue and agreed grant funding in Norway, Vilhelmina Mineral is estimated to have a cash fund that is deemed sufficient to carry out planned development work for the next twelve months for Vilhelmina Mineral as a whole. The closest activity in Vilhelmina Mineral is to complete the permit process in Sweden and Norway, which includes a so-called reguleringsplan plan in Norway and also to carry out updated mineral resource calculation and the Preliminary Economic Assessment for assets in Sweden and Norway.

Nickel Mountain will also offer a limited number of other major shareholders to sell their shares in Vilhelmina Mineral to Nickel Mountain on substantially same terms as the deal with the owners to

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just over 90% of the shares in Vilhelmina Mineral. In the long term, Nickel Mountain also intends to contact other shareholders in Vilhelmina Mineral to offer them to sell their shares in Vilhelmina Mineral to Nickel Mountain. No timetable or details for such an offer have been set.

The affair does not include any element of related party transaction

Provided that the conditions for the execution of the transaction are fulfilled, the Board of Directors of Vilhelmina Mineral intends to withdraw Vilhelmina Mineral's application for listing with NGM Nordic SME.

Preliminary conditions for planned rights issue in Vilhelmina Mineral:

Provided that the Extraordinary General Meeting of Nickel Mountain approves the transaction, the Board of Directors of Vilhelmina Mineral intends to, with the support of the issuance authorization granted by the Board at the Annual General Meeting on May 3, 2019, decide on a rights issue of SEK 23 million.

According to the preliminary conditions for the rights issue in Vilhelmina Mineral, approximately 11.5 million shares will be issued at the price of SEK 2 per share. The subscription period will provisionally run during the second half of April. The terms and conditions for the issue will be decided and announced after the Extraordinary General Meeting of Nickel Mountain has approved the transaction.

Vilhelmina Mineral has received guarantees and subscription commitments regarding 100% of the amount in the rights issue.

Preliminary overall timetable for the transaction:

Extraordinary General Meeting of Nickel Mountain	early April 2020
Rights issue in Vilhelmina Mineral will be implemented (rights issue)	April - May 2020
The consideration shares in Nickel Mountain will be issued	June 2020

Disclosure of information:

This information is insider information that Vilhelmina Mineral AB (publ) is required to publish according to the EU Market Abuse Regulation. The information was provided through the contact person below for publication on March 9, 2020 at 17.45.

For additional information:

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