

ARCTIC MINERALS

Stockholm February 21, 2019

Year-end report for the full year 2018

Arctic Mineral AB, earlier Arctic Gold AB, is focusing on mineral exploration in Finland, following the acquisition of Norrbotten Exploration AB in 2017. Arctic Minerals will explore in areas of central and northern Finland which management consider have excellent potential for the discovery of new copper deposits, as well as zinc and gold.

Currency SEK, MSEK, is Swedish Kronor (SEK)

Second Half (July - December 2018)

- Capitalized exploration costs for the second half of the year amounted to MSEK 1.3 (0.0)
- Profit after tax for the second half of the year MSEK -1.6 (-0.8)
- Earnings per share for the second half of the year amounted to SEK -0.02 (-0.03)

Full Year (January - December 2018)

- Capitalized exploration costs for the full year amounted to MSEK 2.3 (0.0)
- Profit after tax for the full year amounted to MSEK -2.7 (-1.6)
- Earnings per share for the full year amounted to SEK -0.04 (-0.5)
- Equity per share at the end of the period amounted to SEK 0.89 (1.11)

Significant events during the second half of 2018

- **9 July, 2018 Arctic Minerals AB announced the appointment of Mr. Risto Pietilä as Exploration Manager.**
- **1 August Arctic Minerals AB issued an update on its exploration for copper, zinc and gold in central and northern Finland.**
The company by then held a total of 5,735 km² of exploration reservations in central Finland (the "Raahe-Ladoga Ore Belt") and southern Finnish Lapland (the "Peräpohja Belt").
- **24 September Arctic Minerals AB announced that it has identified its first drill targets at its Vihanti, Finland exploration reservation.**
Two first drilling targets had been identified: Vihanti deeps and Vilminko, located in "Raahe-Ladoga Ore Belt".
- **30 October Arctic Minerals appointed Krister Söderholm as new CEO and Lennart Kvist as Corporate Secretary.**
As previously announced, Tord Cederlund resigned as CEO of Arctic Minerals AB on October 31, 2018. Administration and post address was moved to Östersund.

- **20 December Arctic Minerals AB announced that four new extraction permits had been granted by the Directorate of Mineral Management (DMF) at the company's Bidjovagge copper-gold project in Norway.**

The company previously held five extraction (mining) permits and therefore now has a total of nine extraction permits totaling 7.16 km² at Bidjovagge, as well as an exploration permit covering 1 km².

Important events after the period ending 31 December, 2018

- **14 January Arctic Minerals announced that Zambian-style copper mineralization has been discovered in Peräpohja region, Finnish Lapland**

Geological fieldwork carried out in the summer and autumn 2018 found copper in a number of locations, together with lesser amounts of silver and gold. The company considers that the Peräpohja represents an outstanding target for Zambian-style copper discoveries and further work is planned in 2019.

Arctic Minerals Group

Arctic Minerals AB is a Swedish company focusing on exploration for copper, zinc and gold. The company was renamed November 8, 2017 from Arctic Gold. With the acquisition of Norrbotten Exploration AB, the company was given a new focus in its exploration in Finland.

In April 2018 Arctic Gold Operations, subsidiary to Arctic Minerals AB, was renamed Arctic Gold AB holding minerals rights in northern Norway.

Norrbotten Minerals AB, a subsidiary of Norrbotten Exploration AB, was liquidated in June 2018.

The shares of Arctic Minerals Group are listed on Nasdaq first North, Stockholm, under the symbol "ARCT". Partner Fondkommission is the company's Certified adviser.

Arctic Minerals AB

Arctic Minerals acts as the parent company and have no exploration activities.

The company provides administrative services to the subsidiaries.

Norrbotten Exploration AB

Project in Finland

Arctic Minerals focus is on exploration for copper, zinc and gold in Finland. At present, the company has exploration reservations totaling 6,497 km², located in central and northern Finland. In central Finland the company has 4,265 km² of reservations in the so-called "Raahe-Ladoga Ore Belt". In northern Finland the company has 2,232 km², of reservations in the Peräpohja schist belt of southern Finnish Lapland.

Under Finnish mineral law, an exploration reservation gives the holder the right to study the reserved area for up to two years. During this time the holder has priority rights to apply for an exploration permit in the reserved areas. A reservation allows for data studies and geological inspection of the reserved area but not more advanced work such as drilling, for

which an exploration permit is required. The company considers applying for exploration permits later in 2019.

Central Finland (Raahe-Ladoga Ore belt)

In 2018 the company identified two first drill targets at its Vihanti, Finland exploration reservation, located to the south of the old Vihanti mine. This mine was operated by Outokumpu Oy from 1952 to 1992 and produced some 28 million tons of massive sulphide ore at an average grade of 5.3% zinc, 0.5% copper, 0.4 grams/ton gold, 21.8 grams/ton silver and 0.4% lead. The mine was closed due to depleted ore reserves and the low metal prices prevailing at that time. The drill targets were identified following detailed interpretation of various geophysical data.

Vihanti Deeps

The first target, “Vihanti Deeps” was identified by interpretation of seismic data previously collected by GTK (Geological Survey of Finland). This survey shows a clear seismic anomaly located at a depth of approximately 1,000 meters to the southwest of the old mine and down-dip from the original orebody. The anomaly is consistent with the type to be expected by the presence of massive sulphides.

Towards the end of the mine life, Outokumpu Oy drilled one hole from the bottom of the mine. This hole intersected several zones of semi-massive sulphide ore, both at the start of the hole and also near the end. These intersections are located at a lateral distance estimated to be between 300 and 500 meters from the edge of the newly identified seismic anomaly.

Arctic Minerals plans to test the Vihanti Deeps target by drilling, initially with a single hole drilled to a depth of approximately 1,400 meters.

Vilminko

The Vilminko target is located approximately 10 km east of the Vihanti Deeps target. At Vilminko GTK data shows a magnetic anomaly coincident with a seismic anomaly. GTK drilled several holes in this area but these were too short to intersect the target. Arctic Minerals plans to test the Vilminko target by drilling, initially with a single hole drilled to a depth of approximately 800 meters.

Northern Finland

In the summer and autumn of 2018, the company carried out extensive geological field work in the Peräpohja Schist Belt of southern Finnish Lapland. Copper was found in a number of locations, together with lesser amounts of silver and gold.

The company's main exploration target in Peräpohja is a type of mineralization called “SSC” (Stratiform Sediment-hosted Copper), typical of that found in the Zambian Copper Belt, one of the world’s main sources of copper and a major source of cobalt.

A total of 22 samples were taken from outcrops. Of these, 11 showed mineralization typical of Zambian-style SSC deposits. The average assay of these samples was 1.3% copper, 11 grams per ton silver and 0.1 grams per ton gold. The richest sample contained 4.5% copper and 59 grams per ton silver.

A number of boulders were also analyzed: the best of these, a quartzite, contained 5.25% copper, 0.4 grams per ton gold and 12 grams per ton silver.

The majority of the copper-bearing samples were taken from quartzite outcrops. The nature of these occurrences supports the company's view that the Peräpohja Schist Belt bears strong resemblance to the Zambian Copper Belt. As such, Peräpohja represents a highly attractive target for further exploration. Management therefore plans a follow-up program in 2019 as soon as the snow has melted.

In addition to the Zambian-style potential, the 2018 program also found widespread copper mineralization in dolomite and basalt rocks. The richest sample taken was from a one-ton basalt boulder, possibly local in origin and containing 3.5% copper. This finding suggests that there is potential for an additional type of stratiform copper mineralization in Peräpohja, namely the “volcanic red-bed” type, typically hosted in volcanic rocks such as basalt. Examples of volcanic red-bed copper deposits are White Pine (Michigan, USA) and Mantos Blancos (Chile).

Arctic Gold AB

The Bidjovagge project

Through its subsidiary company, Arctic Gold AB, Arctic Minerals owns the mineral rights in the area of the closed Bidjovagge copper-gold mine in Norway. The mine was last operated by Outokumpu Mining Oy from 1985 to 1991, when depleted ore reserves and low metal prices forced its closure. During these years Outokumpu processed a total of 1.9 million tons of ore grading 3.92 grams/ton gold and 1.32% copper. The processing plant and other buildings are demolished.

In December 2018 the Directorate of Mineral Management (DMF), the Norwegian authority which administers the mineral law in Norway, granted Arctic Minerals four new extraction (mining) permits at Bidjovagge copper-gold project. The new permits cover a total of 2.3 km².

The company previously held five extraction permits and therefore now has a total of nine extraction permits totaling 7.16 km² at Bidjovagge, as well as an exploration permit covering 1 km².

For re-start of production several other permits are also required. DMF has on their website on 9 January, 2019 explained what is required.

Arctic Minerals has held the mineral rights at Bidjovagge since 2010. A scoping study was made in that year by the Finnish consulting company, Outotec Oy. Outotec updated the mineral resource in 2012. Indicated resources were estimated at 2.06 million tons with 1.6 grams per ton gold and 1.15 % copper. A further 0.24 million tons were identified in the “inferred resources” category with 2.6 grams per ton gold and 0.9 % copper. In addition, there are 0.3 million tons of stockpiled ore with 1.79 grams per ton gold and 0.6% copper.

The updated mineral resources in 2012 shows that the feasibility of the mine project has improved, compared to the mineral resources in the scoping study. Before a possible decision

on re-start of the mine more detailed feasibility studies are needed and further permits must be applied for. Applications for such permits have not yet been filed.

The company believes that there is good potential to increase mineral resources with continued exploration. However, since 2012 the development of the project has been hampered by local political opposition. The company is hopeful about the possibilities of finding a solution that can lead to the successful development of the mine project. More on this under Risks.

Net sales and earnings

During the period July - December 2018, the Group's activated exploration costs amounted to MSEK 1.3 (0.0) and profit after tax to MSEK -1.6 (-0.8). During the full year January – December, the Group's activated exploration costs amounted to MSEK 2.3 (0.0) and the profit after tax to MSEK -2.7 (-1.6).

Financial position and cash flow

The Group's shareholders' equity at December 31, 2018 amounted to MSEK 53.2 (47.9). It provides a solvency of 98.2 (92.8) %. Liquid funds at the same time amounted to MSEK 6.7 (0.6). The change in cash and cash equivalents during the year consists of cash flow from operating activities after changes in working capital of MSEK -3.3 (-0.8), from investments MSEK -2.3 (0.0), and from fund raising MSEK 11.8 (0.0).

Investments

Intangible assets in subsidiary Artic Gold AB consist of actual costs for work and exploration in the form of drilling etc. The Board believes that it is justified to keep these assets at book value as long as the licenses are in force and the entity was also granted four new licenses in December 2018. No new costs have been activated during 2018.

In subsidiary Norrbotten Exploration AB intangible assets consists of costs 2018 for fees to consultants for compiling and interpretations of existing geodata, and for own field work, sampling and assaying. In 2018 a total of MSEK 2.3 has been activated, and the total activated cost is MSEK 3.2 The Board believes that it is justified to keep these assets at book value, especially when exploration results are positive; new ore types have been discovered both in bedrock and as ore floats. The plan is to continue the promising exploration also with diamond drilling.

Financing

In February a directed new share issue has been carried out which has contributed MSEK 13.1 before issue costs (-1.3). In June there was a new share issue when two loans of total 2 MSEK were converted to shares.

Number of outstanding shares

The number of outstanding shares in the company at the end of the period is 66 247 865 (43 115 942).

Staff

There are currently no employees in the Group. Administration and other staff are hired on a consultancy basis.

Transactions with related parties

During the period January-December 2018, transactions with related parties have taken place as follows:

The company's former CEO, Tord Cederlund, is a partner in Novatelligence AB, which has received consultancy fees of KSEK 280. The company's new CEO and board member, Krister Söderholm, has via own company received consultancy fees of KSEK 198. Chairman of the board, Peter Walker; has via own company received consultancy fees of KSEK 332.

Agreements covering related services have been made on market based terms.

Parent Company

Arctic Minerals AB has a corporate management function for the whole Group. For the second half of the year, revenue for invoiced expenses of subsidiaries is reported to be MSEK 0.2 (0.0), other external expenses were MSEK -1.4 (-0.6) , and profit after tax amounted to MSEK -1.2 (-0.8). For the full year January-December 2018, revenue for invoiced expenses of subsidiaries of SEK 0.2 (0.0) was reported, other external expenditures were MSEK -2.1 (-1.2) and profit after tax amounted to MSEK - 2.1 (-1.5).

Accounting Principles

This year-end report has been prepared in accordance with the Annual Accounts Act and the Board of Directors' General Advice. From the financial year 2014, the consolidated accounts and annual report are prepared using BFNAR 2012: 1 Annual Report and consolidated accounts (K3).

Risks

Significant risk and uncertainty factors include, but not exclusively, results of exploration and continued financing within the Group. Exploration is a risky business where not all companies find mineable mineral reserves.

Exploration is expensive, especially if/when reaching the diamond drilling stage. The management of Arctic Minerals has solid experience and knowledge and has been successful; in exploration, in development of mine projects, in fund raising and in exits from successful mine projects, see history of Kevitsa mine project.

There is also the risk that you will not find enough ore to justify opening a mine. Declining capital may therefore be without value.

In cyclical activities such as exploration and mining, prices vary over time. As ore is an economic term, a situation may occur where a described ore is wholly or partly ceased to be ore and partly or completely reverted to being a mineralization.

Finland is today an attractive country for exploration; good potential for findings, good infrastructure, "security of title" and legislation are all good. For these reasons, exploration focus is on Finland. There are in Finland, as in all Nordic countries, some resistance against exploration and mining.

In Norway Arctic Gold AB has seen challenges from 2012. The company has managed to substantially increase the mineral resources and for this reason applied for the right to present a plan for mining, according to Plan- og bygningsloven and the Mineral Act. The political risk was experienced in April 2012 and December 2013 when Kautokeino municipality decided to reject the presented "planprogram".

Despite discussions with the Norwegian Government, several ministries and the municipality Arctic Minerals has not yet managed to lock up the difficult situation. In practice there are two parallel laws that don't interact nor communicate. The political risk that we have become aware of can be described as a particularly difficult risk, as the Planning and Building Act

gives municipal councils the exclusive right to decide on the plan and the plan for a referral round. The fact that municipal council composition may change every four years after municipal elections is another factor to assess. Next municipality election in Norway is in September, 2019.

The plan is to continue discussions with the Government, with the municipality and all stakeholders in order to find a way of continuing the mine development in Kautokeino.

The various risks associated with the Group's operations are discussed in more detail in the Annual Reports for 2017, and also in earlier annual reports, which can be found on the Company's website.

Upcoming reports

As from fiscal year 2013, the company reports only half and full year.

The Annual General Meeting will be held on Tuesday, May 28, 2019. The Annual Report for 2018 will be held at the Company's website from Thursday, May 2, 2019.

Interim report for the period January - June 2019 will be released on Friday, 30 August 2019.

The Board of Directors and the CEO assure that the interim report provides a true and fair view of the Group's operations, financial position and results, as well as the significant risks and uncertainties faced by the Group.

This year-end report has not been audited by the company's auditor.

Stockholm, February 21, 2019

Peter Walker
Chairman

Claes Levin
Member

Hanne Markussen Eek
Vice Chairman

John Pedersen
Member

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This information is information that Arctic Minerals AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of contact person set out above, at 08.00 on February 21 2019.

Income Statement	the Group 6 months 2018-07-01 2018-12-31	the Group 6 months 2017-07-01 2017-12-31	the Group 12 months 2018-01-01 2018-12-31	the Group 12 months 2017-01-01 2017-12-31
Resultaträkning (Amount in kSEK)				
Operating income				
Net sales	0	0	0	0
Activated work	1 249	0	2 323	0
Total income	1 249	0	2 323	0
Operating expenses				
Other external expenses	-2 839	-696	-4 812	-1 355
Personnel expenses	0	0	0	0
Depreciation and amortization of tangible and intangible fixed assets	4	0	-24	0
Total operating expenses	-2 836	-696	-4 835	-1 355
Operating results	-1 587	-696	-2 512	-1 355
Results from financial items				
Financial income	0	22	0	29
Financial expenses	0	-160	-181	-288
Results after financial items	-1 587	-834	-2 693	-1 614
Income tax	0	0	0	0
RESULTS FOR THE PERIOD	-1 587	-834	-2 693	-1 614
Earnings per share before and after dilution, SEK	-0,02	-0,03	-0,04	-0,05
Average number of shares, pcs	66 247 865	32 336 597	64 709 404	32 336 957
Average number of shares after dilution, pcs	66 247 865	32 336 597	64 709 404	32 336 957
Balance sheets (Amount in kSEK)			the Group 2018-12-31	the Group 2017-12-31
Assets				
Intangible fixed assets			53 207	50 903
Current assets			128	72
Cash and bank			6 714	634
Total assets			60 049	51 609
Shareholders equity and liabilities				
Shareholders equity			58 981	47 887
Accounts payable			396	128
Current liabilities			672	3 594
Total shareholders equity and liabilities			60 049	51 609

Changes in shareholders equity	the Group	the Group	the Group	the Group
	6 months	6 months	12 months	12 months
	2018-07-01	2017-07-01	2018-01-01	2017-01-01
	(Amount in kSEK)	2018-12-31	2017-12-31	2018-12-31
Opening balance	61 817	29 103	47 887	29 884
Issue in kind acquisition of Norrbotten Exploration	0	19 618	0	19 618
New issues	0	0	15 036	0
New issues expenses	-1 249	0	-1 249	0
Results for the period	-1 587	-834	-2 693	-1 614
Closing balance	58 981	47 887	58 981	47 887

Cash flow statement	the Group	the Group	the Group	the Group
	6 months	6 months	12 months	12 months
	2018-07-01	2017-07-01	2018-01-01	2017-01-01
	(Amount in kSEK)	2018-12-31	2017-12-31	2018-12-31
Cash flow from operating activities after changes in working capital	-357	-80	-3 329	-822
Cash flow from investment activities	-1 249	0	-2 323	0
Cash flow from financing activities	-1 249	-5 800	11 787	-34
Cash flow for the period	-2 855	-5 880	6 135	-856
Opening liquid assets	9 569	6 515	634	1 490
Closing liquid assets	6 714	634	6 714	634
Changes in cash flow for the period	-2 855	-5 880	6 080	-856

Segment - Business areas

Arctic Minerals is currently active in the field of exploration and mining in two countries. Net sales are 0 (0) ksek in both countries. The table shows activated work in the countries the Group has operations and profit after tax.

Activated work, (kSEK)	the Group	the Group	the Group	the Group
	6 months	6 months	12 months	12 months
	2018-07-01	2017-07-01	2018-01-01	2017-01-01
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Norway	0	0	0	0
Sweden	1 249	0	2 323	0
Total	1 249	0	2 323	0

Results after tax, (kSEK)	the Group	the Group	the Group	the Group
	2018-07-01	2017-01-01	2018-01-01	2017-01-01
	2018-12-31	2017-06-30	2018-12-31	2017-12-31
	Norway	-128	-49	-191
Sweden	-1 459	-784	-2 502	-1 500
Total	-1 587	-834	-2 693	-1 614

Key ratios

	the Group 6 months 2018-07-01 2018-12-31	the Group 6 months 2017-07-01 2017-12-31	the Group 12 months 2018-01-01 2018-12-31	the Group 12 months 2017-01-01 2017-12-31
Margins				
Operating income, kSEK	1 249	0	2 323	0
Operating margin, %	neg	neg	neg	neg
Profit margin, %	neg	neg	neg	neg
Profitability				
Return on total capital, %	-0,65%	-9,36%	-1,21%	-3,16%
Return on shareholders equity, %	-0,66%	-10,08%	-1,26%	-4,15%
Capital structure				
Shareholders equity, kSEK	58 981	47 887	58 981	47 887
Balance sheet total, kSEK	60 049	51 609	60 049	51 609
Solidity, %	98,2%	92,8%	98,2%	92,8%
Investments				
Net investments in intangible fixed assets, kSEK	1 249	0	2 323	0
Personnel				
Number of employees at the end of the period, pcs	0	0	0	0
Per share data				
Shares at the end of the period, pcs	66 247 865	43 115 942	66 247 865	43 115 942
Average number of shares, pcs	66 247 865	32 336 957	64 709 404	32 336 957
Earnings per share, SEK	-0,02	0,03	-0,04	-0,05
Shareholders equity per share, SEK	0,89	1,11	0,89	1,11
Share quota value / face value, SEK	0,60	0,60	0,60	0,60
Total share capital, SEK	39 748 719	25 869 565	39 748 719	25 869 565

Income statement - parent company	6 months	6 months	12 months	12 months
(Amount in kSEK)	2018-07-01	2017-07-01	2018-01-01	2017-01-01
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Operating income				
Net sales	172	0	172	0
Total income	172	0	172	0
Operating expenses				
Other external expenses	-1 389	-646	-2 111	-1 240
Personnel expenses	0	0	0	0
Depreciation and amortization of tangible and intangible fixed assets	0	0	0	0
Total operating expenses	-1 389	-646	-2 111	-1 240
Operating results	-1 216	-646	-1 939	-1 240
Results from financial items				
Financial income	0	22	0	29
Financial expenses	0	-160	-181	-288
Results after financial items	-1 216	-784	-2 119	-1 500
Income tax	0	0	0	0
RESULTS FOR THE PERIOD	-1 216	-784	-2 119	-1 500

Balance sheets - parent company

(Amount in kSEK)	2018-12-31	2017-12-31
Assets		
Intangible fixed assets	0	0
Shares in group companies	51 191	48 691
Receivable from group companies	1 598	226
Current assets	88	71
Cash and bank	6 237	225
Total assets	59 114	49 213
Shareholders equity and liabilities		
Shareholders equity	58 168	46 500
Accounts payable	372	128
Payable to group companies	0	0
Current liabilities	573	2 585
Total shareholders equity and liabilities	59 114	49 213

Definitions

Margin

Operating margin, %

Operating profit as a percentage of total income.

Profit margin, %

Profit after net financial items as a percentage of total income.

Profitability

Return on shareholders equity, %

Net profit as a percentage of average shareholders equity. Average shareholders equity is calculated as opening plus closing shareholders equity divided by two.

Return on total capital, %

Operating profit plus financial income as a percentage of average balance sheet total. The average balance sheet total has been calculated as the total plus opening plus closing balance sheet totals divided by two.

Capital structure

Shareholders equity, kSEK

Shareholders equity at the end of the period.

Solvency, %

Shareholders equity and minority interest as a percentage of balance sheet total.

Investments

Net investments in intangible and tangible fixed assets, kSEK

Investments in the intangible and tangible fixed assets decreased by the period's sales and disposals.

Personnel

Number of employees, pcs

Number of employees calculated based on full-time employed at the end of the period.

Per share data

Number of shares, pcs

Number of outstanding shares at the end of the period.

Average number of shares, pcs

Average number of shares during the period.

Earnings per share, SEK

Profit after tax divided by average number of shares for the period.

Shareholders equity per share, SEK

Shareholders equity at the end of the period divided by number of shares at the end of the period.