



## Financial Report First Quarter 2019

### First Quarter 2019 (January – March)

- Exploration and evaluation costs for first quarter amounts to MSEK 2.1 (1.0)
- After-tax profit for first quarter amounts to MSEK -2.2 (-1.0)
- Profit per share for first quarter amounts to SEK -0.13 (-0.10)

### Significant events in the reporting period

- Plan program for Norwegian subsidiary has been approved by municipality of Røyrvik
- Board member Scott Moore has been appointed chairman of the board
- Permitting work for Stekenjokk and Joma continued
- Swedbank Norway has been appointed financial advisor
- Shares in subsidiary Upgrade Mineral Nordic AB has been spun out to shareholders via dividend in kind

### Significant events after the reporting period

- Permitting work for Stekenjokk and Joma has continued. The new round of hearing is expected to last during spring 2019
- The annual general meeting has approved new articles of association and authorized the board to issue new shares or other financial instruments

# Operations

## Vilhelmina Mineral in short

Vilhelmina Mineral AB (publ), ("the Company"), is a Swedish company active in exploration and mining in the Nordic region, focusing on base metals, mainly copper and zinc. The company's goal is to develop the current deposits and start mining operations in the next few years. The company's main projects consist of the Swedish projects Stekenjokk and Levi in Västerbotten and the Norwegian project Joma located in Trøndelag. For Stekenjokk and Levi, an application for exploitation concession is submitted to the Swedish authorities. In the case of the Joma, the first step in the Norwegian equivalent of exploitation concession has been obtained ("utvinningsrett"). In addition to the main projects, there are a number of smaller satellite projects in the form of Swedish Jormlien and Ankarvattnet, as well as Norwegian Gjersvik. The operations are organized in the Swedish parent company Vilhelmina Mineral AB (publ) and in the half-owned Norwegian subsidiary Joma Gruver AS. More information about the Company is available at [www.vilhelminamineral.com](http://www.vilhelminamineral.com).

## Development of operations

### Joma

In the end of the reporting period, the Company's Norwegian subsidiary Joma Gruver AS has obtained approval from Røyrvik municipality for its plan program for the Joma mine industrial area. The plan program is stipulated by Norwegian law and is an important step in the permitting process related to restart of mining activities in Joma. The plan program constitutes a framework for the continued process to develop a more detailed plan for the Joma industrial area and is an important step in the permitting process for restarting of mining activities in Joma. The plan program was approved by the municipality without any changes. The next step in the permitting process is to carry out an impact analysis.

### Stekenjokk and Levi

In the reporting period, Vilhelmina Mineral has continued to work on the development of the Swedish main projects Stekenjokk and Levi. The work has consisted of meetings with various authorities and other stakeholders and development of supplementary documentation in relation to the application for an exploitation concession and preparation for the anticipated referral round.

### New chairman of the board appointed

In the reporting period, board member Scott Moore has been appointed new chairman of the board. Mr. Moore represents Canadian owner Vilhelmina Minerals Inc. which is indirectly controlled by Canadian investment company Forbes & Manhattan. Mr. Moore's predecessor as chairman, Michael Timmins, is leaving Forbes & Manhattan and thereby also his assignments in portfolio companies. Mr. Moore has been a board member of the Company since Forbes & Manhattan's investment in 2017. Mr Moore has over 25 years of experience from senior management positions in the mining sector. Current positions include COO of Canadian investment company Forbes & Manhattan, CEO of Euro Sun Mining (listed at TSX - the Toronto Stock Exchange) and chairman of Copper One (listed at TSX). He was previously CEO of Dacha Strategic Metals and has long experience from developing companies and businesses in the mining industry. Mr. Moore's education includes a Bachelor of Arts from Toronto University and an MBA from Kellogg School of Management.

## **Swedbank appointed as financial advisor**

In the reporting period, Swedbank Norway has been appointed as financial advisor in connection with planned financing during spring 2019.

## **Dividend in kind of shares in subsidiary Upgrade Mineral Nordic AB**

In the reporting period, shares in recently founded subsidiary Upgrade Mineral Nordic AB ("Upgrade Mineral") were spun out to the shareholders via dividend in kind. The dividend in kind of shares was made at the ratio 1: 1, i.e. for one (1) share held in Vilhelmina Mineral one (1) share was received in Upgrade Mineral. The purpose of the distribution of the shares is to create value for the shareholders by allowing Upgrade Mineral at a later stage to acquire interesting development projects in precious metals and other minerals.

## **Events after the reporting period**

### **Stekenjokk and Levi**

After the reporting period, Vilhelmina Mineral has continued to work on the development of the Swedish main projects Stekenjokk and Levi. The work has consisted of meetings with various authorities and other stakeholders and development of supplementary documentation in relation to the application for an exploitation concession and preparation for the anticipated referral round. A new round of hearing is expected to last during spring 2019.

### **Decisions by the annual general meeting**

After the reporting period Vilhelmina Mineral AB (publ) has held annual general meeting on May 3 in which the current members of the board, Scott Moore, Neil Said, Les Kwasik, Jonas Dahllöf and Peter Hjorth, were re-elected. Further, for the period until the end of next annual general meeting, it was resolved to re-elect the registered audit company Öhrlings PricewaterhouseCoopers AB with the main responsible auditor Henrik Boman. More over the annual general meeting decided to adopt new articles of association in which the share capital of the Company shall amount to not less than SEK 1,650,000 and not more than SEK 6,600,000. Also, the number of shares shall not be less than 16,500,000 shares and not more than 66,000,000 shares. The annual general meeting authorized the Board of Directors to decide on issue of new shares and/or issue of convertibles and/or warrant with cash payment and/or, payment in kind or by set-off on a single or several occasions until the next annual general meeting and with the right in relation thereto deviate from the shareholders' preferential rights. By decision based on the authorization, the share capital may be increased by maximum SEK 3,300,000 through the issue of a maximum of 33,000,000 shares. If this authorization is fully used dilution will amount to 67%. The main purpose of this authorization is to establish ability to finance new business opportunities within existing operations or for expanded operations in the form of, for example, acquisitions.

# Financial and other information

## Net revenue and profit

The Group has not had any revenues during the reporting period. The result after tax for the first quarter was MSEK -2.2 (-1.0).

## Cash position and cash flow

The Group's shareholders' equity attributable to the parent company's shareholders amounted to MSEK 3.8 (3.8) as at March 31. It gives a solidity of 71 (93) %. Cash amounted to MSEK 3.3 (1.1) at the end of the period. Cash flow from operating activities after changes in working capital for the first quarter amounted to MSEK -0.3 (-2.2). Cash flow from investing activities for the first quarter amounted to MSEK 0.0 (-0.9). Cash flow from financing activities for the first quarter amounted to MSEK 0.0 (0.1). Total cash flow for the first quarter amounted to MSEK -0.3 (-2.2).

## Investments

During the reporting period no investments have been made. All costs associated with drilling and other development of projects have been expensed.

## Financing

No external financing was carried out during the first quarter. The company's current plans require a need for additional funding in 2019. The Board of Directors believes that the market situation and the processes that have been initiated mean that there are good opportunities to solve the need for financing in a satisfactory manner.

## Outstanding shares

The number of outstanding shares in the company at the end of the period was 16,572,919.

## Incentive programs

An option program of 1 million warrants has been issued to the Company's key persons consisting of members of the Board and additional persons working in conjunction with the Company. Full conversion of the warrants at the end of the period amounts to approximately 6.4% dilution. Each warrant entitled the holder to subscribe for a new share in the Company at a subscription price of SEK 6. Notification of subscription of shares shall be made no later than 02 August, 2018.

## Staff

There are no employees in the Group. All staff, including management, are hired on a consultancy basis.

## Transactions with related parties

During the period October-December, transactions with related parties have taken place as follows. The company's CEO and Board member Peter Hjorth have received compensation of kSEK 360 via own company. Board member and Vice President, Jonas Dahllöf, has received compensation of kSEK 360 via own company. Board member, Neil Said, has received compensation of kSEK 104 via own company. Agreements covering related services have been made on market based terms.

## Parent company

The activities of Vilhelmina Mineral AB (publ) focus on the development of the Swedish projects, the provision of group management function, and group-wide financing including both the Swedish and Norwegian operations and the Group Management function. Costs of MSEK 1.8 (1.0) were reported for the first quarter, and earnings after tax amounted to MSEK -1.8 (-1.0).

## Accounting Principles

This interim report has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Boards' general advice BFNAR 2012: 1 Annual Report and Consolidated Financial Statements (K3). The Company has, during 2018, increased its holding in Joma Gruver AS to 50%. Furthermore, the Company has an option to increase ownership to 100%. With increased ownership and an assessed opportunity to call for the option, it is the Board's assessment that a controlling influence has been achieved and that Joma is consolidated in the Group since January 1, 2018. The Company prepares consolidated accounts. Companies in which the Company holds the majority of the votes at the general meeting and companies in which the Company through an agreement has a controlling influence are classified as subsidiaries and are consolidated in the consolidated accounts. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the financial statements from the date on which the controlling influence ceases. Otherwise, the accounting principles are unchanged compared with previous year.

## Risks

Significant risk and uncertainty factors include, but not limited to, results of prospecting, obtaining environmental, land, operating licenses and continued financing within the Group. The various risks associated with the Group's operations are discussed in more detail on the Company's website.

## Financial reporting calendar

- Financial reporting for the period April – June 2019 will be published on August 9, 2019
- Financial reporting for the period July – September 2019 will be published on November 8, 2019

This interim report has not been audited by the Company's auditor.

Stockholm, May 14, 2019

**Scott Moore**  
Chairman

**Peter Hjorth**  
CEO and director

**Jonas Dahllöf**  
COO and director

**Leslaw Kwasik**  
Director

**Neil Said**  
Director

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# Group Profit and Loss Statement

<b>Consolidated Income Statement</b>	the Group 3 months 2019-01-01 2019-03-31	the Group 3 months 2018-01-01 2018-03-31	the Group 12 months 2018-01-01 2018-12-31
<b>(Amount in kSEK)</b>			
<b>Operating income</b>			
Net revenue	0	0	0
<b>Total income</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating expenses</b>			
Exploration and evaluation expenditures	-2 125	-1 037	-11 028
Other external expenses	-31	-7	-252
Personnel expenses	0	0	0
Depreciation and amortization of tangible and intangible fixed assets	0	0	0
<b>Total operating expenses</b>	<b>-2 156</b>	<b>-1 044</b>	<b>-11 279</b>
<b>Operating results</b>	<b>-2 156</b>	<b>-1 044</b>	<b>-11 279</b>
<b>Results from financial items</b>			
Financial income	0	0	1
Financial expenses	0	0	0
<b>Results after financial items</b>	<b>-2 156</b>	<b>-1 044</b>	<b>-11 279</b>
Income tax	0	0	0
<b>RESULTS FOR THE PERIOD</b>	<b>-2 156</b>	<b>-1 044</b>	<b>-11 279</b>
Attributable to:			
Owners of the Parent Company	-1 996	-1 044	-9 100
Non-controlling interests	-160	0	-2 178
Earnings per share before dilution, SEK	-0,13	-0,10	-0,84
Average number of shares, pcs	16 572 916	10 371 354	13 472 135
Earnings per share after dilution, SEK	-0,12	-0,10	-0,78
Average number of shares after dilution, pcs	17 572 916	10 371 354	14 472 135

## Group Balance Sheet Statement

<b>Consolidated Balance sheets</b>	the Group	the Group	the Group
<b>(Amount in kSEK)</b>	2019-03-31	2018-03-31	2018-12-31
<b>Assets</b>			
Signed but not paid up capital	0	0	2 044
Intangible fixed assets	9 464	750	9 414
Tangible fixed assets	0	0	0
Shares in group companies	0	1 958	0
Current assets	759	268	345
Cash and bank	3 305	1 116	3 645
<b>Total assets</b>	<b>13 528</b>	<b>4 092</b>	<b>15 448</b>
<b>Shareholders equity and liabilities</b>			
Equity attributable to:			
Owners of the Parent Company	3 843	3 788	5 930
Non-controlling interests	5 858	0	5 858
<b>Total shareholders equity</b>	<b>9 701</b>	<b>3 788</b>	<b>11 788</b>
Defered tax liability	1 757	0	1 757
Accounts payable	1 440	37	578
Current liabilities	630	267	1 324
<b>Total shareholders equity and liabilities</b>	<b>13 528</b>	<b>4 092</b>	<b>15 448</b>

## Changes in Equity

<b>Changes in shareholders equity</b>	the Group	the Group	the Group
<b>(Amount in kSEK)</b>	3 months	3 months	12 months
	2019-01-01	2018-01-01	2018-01-01
	2019-03-31	2018-03-31	2018-12-31
Opening balance	11 788	4 880	4 880
New share issues	0	0	10 840
Subscription through warrants	0	0	203
Share issue expenses	0	-48	-1 379
Not registered new share issue	0	0	3 067
Non-controlling interests	0	0	5 858
Dividend	0	0	-156
Translation difference	69	0	-42
Results for the period	-2 156	-1 044	-11 279
<b>Closing balance</b>	<b>9 701</b>	<b>3 788</b>	<b>11 788</b>

# Cash Flow Statement

Cash flow statement	the Group	the Group	the Group
	3 months	3 months	12 months
	2019-01-01	2018-01-01	2018-01-01
	(Amount in kSEK)	2019-03-31	2018-03-31
Cash flow from operating activities after changes in working capital	-340	-1 221	-12 036
Cash flow from investment activities	0	-925	0
Cash flow from financing activities	0	-48	12 371
Cash flow for the period	-340	-2 193	335
Opening liquid assets	3 645	3 310	3 310
Closing liquid assets	3 305	1 116	3 645
Changes in cash flow for the period	-340	-2 193	335

## Key Ratios

Key ratios	the Group	the Group	the Group
	3 months	3 months	12 months
	2019-01-01	2018-01-01	2018-01-01
	2019-03-31	2018-03-31	2018-12-31
<b>Margins</b>			
Operating income, kSEK	0	0	0
Operating margin, %	neg	neg	neg
Profit margin, %	neg	neg	neg
<b>Profitability</b>			
Return on total capital, %	neg	neg	neg
Return on shareholders equity, %	neg	neg	neg
<b>Capital structure</b>			
Shareholders equity, kSEK	9 701	3 788	11 788
Balance sheet total, kSEK	13 528	4 092	15 448
Solidity, %	71,7%	92,6%	76,3%
<b>Investments</b>			
Net investments in intangible fixed assets, kSEK	0	925	0
Net investments in tangible fixed assets, kSEK	0	0	0
<b>Personnel</b>			
Number of employees at the end of the period, pcs	0	0	0
<b>Per share data</b>			
Shares at the end of the period, pcs	16 572 916	10 371 354	16 572 916
Average number of shares, pcs	16 572 916	10 371 354	13 472 135
Earnings per share, SEK	-0,13	-0,10	-0,84
Shareholders equity per share, SEK	0,59	0,37	0,71
Share quota value / face value, SEK	0,10	0,10	0,10
Total share capital, SEK	1 657 292	1 037 135	1 657 292

## Parent Company's Profit and Loss Statement

<b>Income statement - parent company</b>	3 months	3 months	12 months
(Amount in kSEK)	2019-01-01	2018-01-01	2018-01-01
	2019-03-31	2018-03-31	2018-12-31
<b>Operating income</b>			
Net revenue	0	0	0
<b>Total income</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating expenses</b>			
Exploration and evaluation expenditures	-1 805	-1 037	-6 670
Other external expenses	-31	-7	-252
Personnel expenses	0	0	0
<b>Total operating expenses</b>	<b>-1 836</b>	<b>-1 044</b>	<b>-6 922</b>
<b>Operating results</b>	<b>-1 836</b>	<b>-1 044</b>	<b>-6 922</b>
<b>Results from financial items</b>			
Financial income	0	0	0
Financial expenses	0	0	0
<b>Results after financial items</b>	<b>-1 836</b>	<b>-1 044</b>	<b>-6 922</b>
Income tax	0	0	0
<b>RESULTS FOR THE PERIOD</b>	<b>-1 836</b>	<b>-1 044</b>	<b>-6 922</b>

## Parent Company's Balance Sheet Statement

<b>Balance sheets - parent company</b>	2019-03-31	2018-03-31	2018-12-31
(Amount in kSEK)	2019-03-31	2018-03-31	2018-12-31
<b>Assets</b>			
Signed but not paid up capital	0	0	2 044
Intangible fixed assets	750	750	750
Shares in group companies	5 858	1 958	5 858
Receivable from group companies	0	0	0
Current assets	697	268	209
Cash and bank	3 070	1 116	3 294
<b>Total assets</b>	<b>10 375</b>	<b>4 092</b>	<b>12 157</b>
<b>Shareholders equity and liabilities</b>			
Shareholders equity	8 493	3 788	10 329
Accounts payable	1 252	37	503
Payable to group companies	0	0	0
Current liabilities	630	267	1 324
<b>Total shareholders equity and liabilities</b>	<b>10 375</b>	<b>4 092</b>	<b>12 157</b>

# Definitions of Key Ratios for Group

## 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.

#### *Solidity, %*

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.