



Vilhelmina Mineral AB (publ)

Annual Report 2019

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Financial calender

Annual report 2019	March 13, 2020
Annual general meeting 2020	April 24, 2020
Financial reporting for the period January – March 2020	May 8, 2020
Financial reporting for the period April – June 2020	August 7, 2020
Financial reporting for the period July – September 2020	November 6, 2020

Significant events 2019

- Plan program for Norwegian subsidiary has been approved by municipality of Røyrvik
- Permitting work for Stekenjokk and Levi has continued. In the hearing process the municipalities of Strömsund and Vilhelmina and the county of Jämtland have recommended approval of exploitation concession. The county of Västerbotten has asked for additional information from the Company
- In mid-October the Company submitted a supplement to the exploitation concession application for Stekenjokk and Levi to the Swedish Mining Inspectorate
- The annual general meeting has approved new articles of association and authorized the board to issue new shares or other financial instruments
- Board member Scott Moore has been appointed chairman of the board
- Shares in subsidiary Upgrade Mineral Nordic AB has been spun out to shareholders via dividend in kind
- Swedbank Norway has been appointed financial advisor
- Work with securing long-term financing has continued

Significant events after the year end 2019

- Permitting work for Joma and for Stekenjokk and Levi has continued
- Work with securing longterm financing has continued
- Vilhelmina Mineral's principal owners have signed a sale agreement with Nickel Mountain Resources
- The company plans to carry out a rights issue of SEK 23 million and has obtained guarantees and commitments that fully cover this issue

Full year (January – December 2019)

- Revenue for the full year amounts to MSEK 0.0 (0.0)
- Exploration and evaluation costs for the full year amounts to MSEK 8.4 (11.0)
- After-tax profit for the full year amounts to MSEK -8.5 (-11.3)
- Profit per share for the full year amounts to SEK -0.51 (-0.84)

Statement from CEO

Advancing permitting and financing processes to realize long term potential

We remain very positive to the upside potential for our Nordic base metal projects. Circular economy is affecting the transportation, energy and industrial sectors and is driving increased demand for copper and zinc and long-term outlook is promising. In addition to the mineralization itself, our projects are of interest because they have been in production previously. There is historic data in terms of remaining tonnage, grades, recovery and production methods, all of which significantly reduces project risk. Moreover, there are several costly components related to infrastructure which are already in place including roads, electricity, access to water and potential areas for disposal of tailings. This in turn reduces the size of capital expense required to re-start mining operations and a huge advantage. Further, at a macro level, the Nordic region is internationally recognized for advantageous conditions for mining operations with access to competent and specialized workforce, skilled contractors and subcontractors, access to capital and generally well-functioning legal framework.

However, what has been a challenge for Vilhelmina Mineral and for the Nordic mining industry as a whole, is the very long and tedious permitting process. During the last fiscal year however, our team of staff and external experts have carried out solid work related to permitting issues. Starting mining operations requires extensive investigations both in terms of socio-economic and environmental impact. The work is done in stages and these processes in our areas of operation, Sweden and Norway, have many similarities but also some differences. In our Swedish main project Stekenjokk we have made substantial progress in our application for exploitation concession and we hope to obtain this concession during 2020 and move on to the next phase and apply for an environmental permit. In Norway, the so-called plan program has been approved by the municipality of Røyrvik and after this we have proceeded with the regulatory plan (reguleringsplanen). In this process we have had a good dialogue with representatives for the municipality and other stakeholders including landowners and the local Sami village. Our ambition is to maintain a constructive dialogue in these matters with all counterparts both in Norway and in Sweden.

Besides permitting, financing issues have taken up a great deal of time for board and management. In the recent year the overall climate in the financial market has been relative positive, but all projects have their unique pre-requisites and in our case the uncertainty related to permitting has led to financing taking much longer than expected. In this context, it is very gratifying to note that the conditions for permitting of mining operations in particularly Norway seem to be moving in the right direction leading to clearance to several projects including approval of major copper project Nussir in northern Norway. This is hopefully indicative of the possibilities of achieving approval for mining operations in our Norwegian main project Joma, which is also our planned central hub for our Nordic mining operations.

In summary, with our current project portfolio and any additional acquisitions, the prospects are good of developing a leading Nordic exploration company within copper and zinc. With access to a competent organization and solid financing, we are in a position to put one or more mines into operation in the coming years.

Thank you for your trust as a shareholder.

Stockholm den March 13, 2020

Peter Hjorth
CEO and founder Vilhelmina Mineral

Management report

The Board of Directors and the CEO of Vilhelmina Mineral AB (publ), with corporate identity number 556832-3876, hereby submit the annual report and consolidated accounts for the financial year 2019-01-01 - 2019-12-31.

Vilhelmina Mineral in short

Vilhelmina Mineral AB (publ), ("the Company"), is a Swedish company active in exploration and mining development 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 Jämtland 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 50% owned Norwegian subsidiary Joma Gruver AS. More information about the Company is available at www.vilhelminamineral.com.

Development of operations

Joma

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.

The Company's Norwegian subsidiary Joma Gruver AS has continued to work on the development of the Joma project. The Company is evaluating the next phase of the zoning plan (reguleringsplan) in collaboration with external consultant Multiconsult Norge AS. Further, procurement of external consultants has commenced for an updated mineral resource estimate in line with international standard (National Instruments 43-101 or JORC) and a Preliminary Economic Assessment. The work entails both Joma and the Swedish projects Stekenjokk and Levi.

Stekenjokk and Levi

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 in relation to the application for an exploitation concession in which the Company suggest seasonal mining during winter and transportation of ore to other location for processing and waste handling (Joma in Norway). The hearing process has taken place during the spring and all stakeholders involved in this process have submitted their comments. It can be noted that the municipalities of Strömsund and Vilhelmina, as well as the County Administrative Board of Jämtland, all support the processing concession. The County Administrative Board in Västerbotten has requested additional information from the Company which will be prepared together with experts in reindeer herding and environmental issues.

The Company has submitted a comprehensive supplement to the application for exploitation concession for Stekenjokk and Levi related to mining of copper and zinc. In this document, the Company maintains that the concession should be granted for both mineralizations in Stekenjokk and Levi. The Swedish

Mining Inspectorate had requested that the Company supplement the application with answers to questions regarding the potential impact on reindeer herding and the nearby Natura 2000 area. In its response, the Company argues that the proposed seasonal mining during wintertime means that a co-existence between reindeer herding and mining operations in the area is possible. Therefore, both these national interests can be secured. Further, according to the Company, the submitted documentation related to the concession application, together with experience from previous mining, show that the nearby Natura 2000 area will not be negatively affected.

New chairman of the board appointed

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

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

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.

Decisions by the annual general meeting

At the Vilhelmina Mineral AB (publ) annual general meeting on May 3 it was resolved to re-elect the current members of the board, Scott Moore, Neil Said, Les Kwasik, Jonas Dahllöf and Peter Hjorth. 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. Moreover 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.

Financing

During the year, the company continued its efforts to secure long-term financing where discussions with both private investors and public institutions were ongoing. During the fourth quarter, external borrowing of SEK 2.0 million was raised. The Board is of the opinion that enough funding is available to continue the business but is continuing to secure additional external financing in 2020 with the aim of enabling

continued long-term development of the Company's projects according to plans. The Board of Directors believes that the market situation and the processes initiated provide good opportunities to satisfactorily resolve the need for long-term financing. See also the section "Financing" under "Significant events after the end of the financial year".

Options program

An option program of 1 million warrants has been issued to Vilhelmina Mineral's directors of the board and other staff who work operationally with the Company. Full conversion of the warrants means about 5.7 % dilution. Each warrant entitles the holder to subscribe for one new share in the Company at a subscription price of SEK 6. Notification of subscription of shares on the basis of the subscription option shall be made no later than August 2, 2021.

Significant events after the end of the financial year

Joma

After the reporting period, the Company's Norwegian subsidiary Joma Gruver AS has continued to work on the development of the Joma project. Work with the zoning plan (reguleringsplan) has continued in collaboration with external consultant Multiconsult Norge AS.

Regarding procurement of external consultants has commenced for an updated mineral resource estimate in line with international standard (National Instruments 43-101 or JORC) and a Preliminary Economic Assessment, the Company has postponed this process until long term financing has been secured. The work will entail both Joma and the Swedish projects Stekenjokk and Levi.

Stekenjokk and Levi

After the reporting period, the Company has continued to work related to its Swedish main projects Stekenjokk and Levi, including a supplement to the application for a exploitation concession in which the Company is proposing seasonal mining in the winter and transportation of ore from Sweden to Joma in Norway for processing and handlings of tailings. The hearing process is ongoing and the Company is awaiting decision from the Swedish Mining Inspectorate.

Financing

Following the end of the reporting period, the company has announced plans to carry out a rights issue of SEK 23 million in the spring of 2020 and that this is 100% covered by guarantees and subscription commitments. The Board is of the opinion that through these measures the Company will have enough funding to carry on the business in accordance with the plans made. See also the paragraph "Vilhelmina Mineral's principal owner signs agreement on sales to Nickel Mountain Resources".

Vilhelmina Mineral's principal owners have signed a sale agreement with Nickel Mountain Resources

Nickel Mountain Resources AB (publ) 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 acquisition of the shares in Vilhelmina Mineral takes place through a so-called issue in kind where 11 newly issued shares in Nickel Mountain are paid for each acquired share in Vilhelmina Mineral. The transaction is conditional, among other things, on the extraordinary General Meeting of Nickel Mountain approving the transaction and authorizing the board of Nickel Mountain to decide on the issue of the consideration shares through an issue in kind.

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 2020. The terms of the issue will be decided and published after the

Extraordinary General Meeting of Nickel Mountain approves the transaction. **Preliminary overall schedule for the transaction as below.**

Extraordinary General Meeting of Nickel Mountain	early April 2020
Rights issue in Vilhelmina Mineral will be held	April – May 2020
The consideration shares in Nickel Mountain will be issued in	June 2020

Reporting standard and qualified person

Vilhelmina Mineral AB (publ) applies reporting standards from SveMin and FinnMin (Swedish and Finnish Associations of Mines, Minerals and Metal Producers) for public mining and exploration companies. The base data reported under "development of operations" and concerning drill program conducted in Joma during 2018 has been reported by the independent laboratory ALS in Piteå, Sweden. The scientific and technical content of this information is pertaining to the Joma Project drilling program 2018 and has been prepared and approved by Randy Ruff, M.Sc., P.Geol., who is a "qualified person" as defined by Canadian National Instrument 43-101 – Standards for Disclosure for Mineral Projects. Mr Ruff is thereby also acknowledged as Qualified Person (QP) by SveMin and FinnMin with the authority to report results about mineral resources. Mr. Ruff is Vice President Exploration for Vilhelmina Mineral.

Net sales and earnings

Net sales amounted to MSEK 0.0 and profit after tax was MSEK -8.5 (-11.3).

Financial position and cash flow

The Group's equity attributable to the Parent Company's shareholders as of December 31, 2019 amounted to MSEK -1.7 (5.9). This gives an equity ratio of 31 (76)%. Cash and cash equivalents amounted to MSEK 1.8 (3.6) at the end of the period. Cash flow from operating activities after changes in working capital amounted to MSEK -3.9 (-12.2). Cash flow from investing activities amounted to MSEK 0.0 (0.0). Cash flow from financing activities amounted to MSEK 2.0 (12.5). Total cash flow amounted to MSEK -1.9 (0.3).

Investments

All costs associated with drilling and other development of projects are expensed.

In the period August 2017 to May 2018, Vilhelmina Mineral acquired shares corresponding to 50% ownership in Joma Gruver AS in terms of both capital and votes. In total, the Company has paid approximately SEK 5.9 million in cash proceeds for this shareholding. Vilhelmina Mineral has the option to increase ownership up to 100%.

Personnel

There are no employees in the Company or Group. All staff, including management, is hired on a consulting basis.

Parent company

The operations of Vilhelmina Mineral AB (publ) are focused on the development of the Swedish projects, the provision of Group management function, and Group-wide funding including both the Swedish and Norwegian operations and the Group management function. For the full year, costs of MSEK 7.4 (6.9) are reported and profit after tax amounted to MSEK -7.4 (-6.9). The number of employees in the parent company is 0 (0). Staff are hired on a consulting basis.

Risks

See note 3.

Financial development in summary (five-year overview)

The development for the Vilhelmina Group for 2015-2019 is presented below. Consolidation with Joma Gruver AS was made in 2018.

the Group	2019	2018	2017	2016	2015
Net revenue, kSEK	-	-	-	-	-
Operating result, kSEK	-8 528	-11 279	-	-	-
Result after financial net, kSEK	-8 527	-11 279	-	-	-
Balance sheet total, kSEK	11 886	15 448	-	-	-
Solidity	76%	1	-	-	-
Result per share before dilution, SEK	-0,84	-1	-	-	-
Result per share after dilution, SEK	-0,78	-1	-	-	-
Equity per share, SEK	0,71	1	-	-	-
Number of employees, pcs	0	0	-	-	-
Parent company	2019	2018	2017	2016	2015
Net revenue, kSEK	-	-	-	-	-
Result after financial net, kSEK	-7 421	-6 922	-2 898	-148	-688
Balance sheet total, kSEK	9 241	12 312	5 259	902	967
Solidity	-	93%	43%	45%	98%
Number of employees, pcs	0	0	0	0	0

Definitions of key figures

Equity ratio: Shareholders' equity including minority as a percentage of total assets

Earnings per share before dilution: Earnings are tax divided by the average number of shares at the end of the period

Earnings per share after dilution: As above but where the average number of shares at the end of the period was adjusted with the potential dilution effect of issued options

Equity per share: Equity at the end of the period divided by the number of shares at the end of the period

Number of employees: Number of employees at the end of the period

Proposal of profit distribution

Parent company

Available at the Annual General Meeting

Premium fund	26,409,573
Retained earnings	-17,441,136
Earnings for the year	-7,420,691
Total	1,547,746

The Board of Directors proposes that free standing equity at the disposal of the Annual General Meeting be transferred on new account.

Regarding earnings and financial position in general of the parent company and the group, please refer to the income statement and balance sheet below, change in equity, cash flow statement and additional information. All amounts are expressed in thousands of SEK (kSEK) unless otherwise stated.

Consolidated income statement

kSEK	Note	the Group 2019-01-01 2019-12-31	the Group ¹⁾ 2018-01-01 2018-12-31	Parent company 2019-01-01 2019-12-31	Parent company 2018-01-01 2018-12-31
Operating income					
Net revenue	4	-	-	-	-
		0	0	0	0
Operating expenses					
Exploration and evaluation expenditures	6, 7	-8 432	-11 028	-7 326	-6 670
Other external expenses		-95	-252	-95	-252
Personnel expenses	5	-	-	-	-
Depreciation and amortization of tangible and intangible fixed assets	9	-	-	-	-
		-8 528	-11 279	-7 421	-6 922
Operating result		-8 528	-11 279	-7 421	-6 922
Results from financial items					
Financial income		1	1	-	-
Financial expenses		-	-	-	-
Results after financial items		-8 527	-11 279	-7 421	-6 922
Income tax	8	-	-	-	-
RESULTS FOR THE YEAR		-8 527	-11 279	-7 421	-6 922
Attributable to:					
Owners of the Parent Company		-7 974	-9 100		
Non-controlling interests		-553	-2 178		
Earnings per share before dilution, SEK		-0,51	-0,63		
Average number of shares, pcs		16 572 916	13 472 135		
Earnings per share after dilution, SEK		-0,49	-0,59		
Average number of shares after dilution, pcs		17 572 916	14 472 135		

1) Consolidation with Joma Gruver AS has been done during 2018.

Associated notes are an integral part of the financial reports

Consolidated balance sheets

ASSETS

kSEK	Note	the Group 2019-12-31	the Group 2018-12-31	Parent company 2019-12-31	Parent company 2018-12-31
Assets	9				
Signed but not paid up capital		-	2 044	-	2 044
<i>Intangible fixed assets</i>					
Intangible fixed assets		9 447	9 414	750	750
<i>Tangible fixed assets</i>					
Tangible fixed assets		-	-	-	-
		9 447	9 414	750	750
<i>Financial assets</i>					
Shares in group companies	10	-	-	5 858	6 014
		-	-	5 858	6 014
Total fixed assets		9 447	11 458	6 608	8 808
Short-term assets					
<i>Short-term receivables</i>					
Receivable from group companies		-	-	529	-
Other short-term receivables		631	311	547	175
Prepaid expenses and accrued income		32	34	32	34
		663	345	1 108	209
Cash and bank		1 776	3 645	1 525	3 294
Total short-term assets		2 439	3 990	2 633	3 504
Total assets		11 886	15 448	9 241	12 312

Associated notes are an integral part of the financial reports

Consolidated balance sheets (continued)

EQUITY AND LIABILITIES

	Note	the Group 2019-12-31	the Group 2018-12-31	Parent company 2019-12-31	Parent company 2018-12-31
Equity	11				
Share capital		1 657	1 555	-	-
Unregistered share capital	-		102	-	-
Other capital provided		26 409	23 149	-	-
Unregistered other capital provided	-		2 964	-	-
Other equity		-29 750	-21 841	-	-
Equity attributable to Owners of the Parent Company		-1 684	5 930	-	-
Non-controlling interests		5 305	5 858	-	-
Total equity		3 621	11 788	0	0
<i>Restricted equity</i>					
Share capital		-	-	1 657	1 555
Ongoing share issue		-	-	-	102
Total restricted equity		-	-	1 657	1 657
<i>Non-restricted equity</i>					
Share premium fund		-	-	26 409	23 149
Ongoing share issue		-	-	-	2 964
Retained earnings		-	-	-17 441	-10 519
Net result for the year		-	-	-7 421	-6 922
Total non-restricted equity		-	-	1 548	8 672
Total equity		-	-	3 205	10 329
Long-term liabilities					
Deferred tax liability		1 757	1 757	-	-
Total long-term liabilities		1 757	1 757	-	-
Short-term liabilities					
Accounts payable		1 380	578	1 078	503
Other short-term liabilities		2 200	307	2 200	462
Accrued expenses and prepaid income		2 927	1 018	2 758	1 018
Total short-term liabilities		6 507	1 902	6 036	1 983
Total equity and liabilities		11 886	15 448	9 241	12 312

Associated notes are an integral part of the financial reports

Statements of change in equity

the Group

kSEK	Share capital	Other capital provided	Other equity		Total Vilhelmina's shareholders	Non-controlling interests	Total equity
			Trans-lation reserve	Retained earnings etc.			
Opening equity 1 January 2018	1 037	14 362	0	-10 519	4 880	0	4 880
Net result for the year	-	-	-	-11 279	-11 279	-	-11 279
New share issue	518	10 119	-	-	10 637	-	10 637
Unregistered new share issue	102	2 964	-	-	3 067	-	3 067
New share issue costs	0	-1 379	0	0	-1 379	0	-1 379
Dividend	-	-156	-	-	-156	-	-156
Subscription options	-	203	-	-	203	-	203
Non-controlling interests	-	-	-	-	-	5 858	5 858
Exchange rate difference when translating foreign subsidiaries	-	-	-42	0	-42	-	-42
Closing equity December 31, 2018	1 657	26 113	-42	-21 798	5 930	5 858	11 788
Opening equity 1 January 2019	1 657	26 113	-42	-21 798	5 930	5 858	11 788
Net result for the year	-	-	-	-7 974	-7 974	-	-7 974
New share issue	102	2 964	-	-	3 067	-	3 067
Unregistered new share issue	-102	-2 964	-	-	-3 067	-	-3 067
New share issue costs	0	296	0	0	296	0	296
Non-controlling interests	-	-	-	-	-	-553	-553
Exchange rate difference when translating foreign subsidiaries	-	-	64	0	64	-	64
Closing equity December 31, 2019	1 657	26 409	22	-29 772	-1 684	5 305	3 621

Parent Company

kSEK	Share capital	Share premium fund	Retained earnings etc.	Result for the year	Total equity
Opening equity 1 January 2018	1 037	14 362	-7 622	-2 898	4 880
Transfer previous year's result	-	-	-2 898	2 898	0
Net result for the year	-	-	-	-6 922	-6 922
New share issue	518	10 119	-	-	10 637
Unregistered new share issue	102	2 964	-	-	3 067
New share issue costs	-	-1 379	-	-	-1 379
Dividend	-	-156	-	-	-156
Subscription options	-	203	-	-	203
Closing equity December 31, 2018	1 657	26 113	-10 519	-6 922	10 329
Opening equity 1 January 2019	1 657	26 113	-10 519	-6 922	10 329
Transfer previous year's result	-	-	-6 922	6 922	0
Net result for the year	-	-	-	-7 421	-7 421
New share issue	102	2 964	-	-	3 067
Unregistered new share issue	-102	-2 964	-	-	-3 067
New share issue costs	-	296	-	-	296
Closing equity December 31, 2019	1 657	26 409	-17 441	-7 421	3 205

Associated notes are an integral part of the financial reports

Statements of cash flow

kSEK	Note	the Group	the Group	Parent Company	Parent Company
		2019-01-01 2019-12-31	2018-01-01 2018-12-31	2019-01-01 2019-12-31	2018-01-01 2018-12-31
Operating activities					
Operating result		-8 528	-11 279	-7 421	-6 922
Adjustments for items not included in the cash flow					
Depreciation	9	-	-	-	-
Write-down of assets	9	-	-	-	-
Tax paid		-	-	-	-
Interest income received		-	-	-	-
Interest expense paid		-	-	-	-
Cash flow from operating activities before changes in working capital		-8 528	-11 279	-7 421	-6 922
<i>Cash flow from changes in working capital</i>					
Increase (-)/Decrease (+) in operating receivables		1 727	-2 224	1 675	-2 087
Increase (-)/Decrease (+) in Group receivables		-	-	-529	-
Increase (+)/Decrease (-) in accounts payable		802	488	574	413
Increase (+)/Decrease (-) in operating liabilities		2 140	823	1 941	1 035
Cash flow from changes in working capital		4 669	-913	3 662	-639
Cashflow from operating activities		-3 859	-12 192	-3 759	-7 561
<i>Cash flow from investment activities</i>					
Acquisition of intangible fixed assets		-	-	-	-
Acquisition of tangible fixed assets	9	-	-	-	-
Acquisition of subsidiaries and financial assets	10	-	-	0	-4 981
Cash flow from investment activities		0	0	0	-4 981
<i>Cash flow from financing activities</i>					
New share issue		-	13 703	-	13 703
New share issue costs		-10	-1 379	-10	-1 379
Borrowing		2 000	-	2 000	-
Subscription options		-	203	-	203
Cash flow from financing activities		1 990	12 527	1 990	12 527
Cash flow for the year		-1 869	335	-1 769	-15
Opening cash and cash equivalents		3 645	3 310	3 294	3 310
Closing cash and cash equivalents		1 776	3 645	1 525	3 294
Change in cash and cash equivalents for the year		-1 869	335	-1 769	-15

Associated notes are an integral part of the financial reports

Additional information and notes

General information

Vilhelmina Mineral AB (publ) ("The Company") is a Swedish company active in exploration and mining development in the Nordic region with a focus on base metals, mainly copper and zinc. The company's main project consists of the Swedish projects Stekenjokk and Levi in Västerbotten. The half-owned Norwegian company Joma Gruver AS runs the Norwegian project Jomafälten located in Trøndelag. In addition to the main projects, there are a number of smaller satellite projects in the form of Swedish Jormlien and Ankarvattnet and Norwegian Gjersvik.

This annual report has been approved by the Board of Directors on March 14, 2019 for publication on March 15, 2019. The Annual Report is adopted by Vilhelmina Mineral's Annual General Meeting and will be presented for resolution at the Annual General Meeting on April 24, 2020.

Note 1 Accounting and valuation principles

The group's accounting and valuation principles

Vilhelmina Mineral AB's annual report and consolidated accounts have been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012: 1 Annual report and consolidated accounts (K3). The accounting principles are unchanged compared with the previous year.

Consolidated accounts

The company has 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 2018-01-01. Upgrade Minerals Nordic AB was divided to shareholders in 2019.

Vilhelmina Mineral AB prepares consolidated accounts. The companies in which Vilhelmina Mineral holds the majority of the votes at the Annual General Meeting and companies in which Vilhelmina Mineral through a contract has a controlling influence are classified as subsidiaries and consolidated in the consolidated accounts (see Note 2). Information about Group companies is included in the note on financial fixed assets. 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 consolidated financial statements from the date on which the controlling influence ceases.

The Group's financial statements have been prepared in accordance with the acquisition method. The acquisition date is the time when the controlling influence is obtained. Identifiable assets and liabilities are initially measured at fair value at the time of acquisition. The minority's share of the acquired net assets is valued at fair value. Goodwill, which is allocated to the Group's intangible assets in the form of exploration and mineral rights, consists of the difference between the acquired identifiable net assets at the time of acquisition and the acquisition value, including the value of the minority interest, and is initially valued at acquisition cost.

Inter-company transactions between Group companies are fully eliminated.

Subsidiaries in other countries prepare their annual accounts in foreign currency. At the time of consolidation, the items in these companies' balance sheets and income statements are recalculated at the closing day rate and the spot price for the day on which the respective business event took place. The exchange rate differences that arise are reported in accumulated exchange rate differences in the Group's equity.

Foreign currencies

When currency hedging is not applied, monetary asset and liability items in foreign currency are valued at the closing price of the balance sheet date. Transactions in foreign currency are translated at the spot rate of the transaction date. Currency hedging is currently not applied.

Reporting for business and geographic markets

The Group's operations, exploration of base metals, take place in two geographic markets, Sweden and Norway.

Income

The Group has no external income from either sales of goods or services. In the consolidated accounts, any intra-group sales are eliminated.

Employee benefits

The Group has no employees and thus no defined-contribution or benefit-based pension plans.

Borrowing costs

No borrowing costs are capitalized on the production / development of fixed assets.

Income tax

The tax expense for the period or tax revenue consists of current tax. Current tax is calculated on the taxable profit for a period. Deferred tax is calculated according to the balance sheet method, which means that a comparison is made between the reported and taxable values of the company's assets and liabilities. The difference between these values is multiplied by the current tax rate, which gives the amount of the deferred tax asset / liability. Deferred tax assets are recognized in the balance sheet to the extent that it is probable that the amounts can be utilized against future taxable profits.

Receivables and liabilities are reported net only when there is a legal right to set-off. Current tax, as well as a change in deferred tax, is reported in the income statement unless the tax is attributable to an event or transaction that is recognized directly in equity. In such cases, the tax effect is also reported in equity.

Intangible assets

Exploration and evaluation assets, mining rights

Acquisition of mining rights, exploration and evaluation assets are initially measured at cost. Continued expenses for the projects, which consist of, for example, geological, geochemical and geophysical studies, exploration drilling, sampling and activities in connection with evaluation of the technical possibility and commercial feasibility of extracting a mineral resource are reported in the income statement.

Impairment of exploration and evaluation assets

The carrying amounts of the company's intangible assets are checked at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is calculated as the highest of the value in use and the net sales value. Write-downs are made if the recoverable amount falls below the carrying amount. When calculating the value in use, future cash flows are discounted at an interest rate before tax which is intended to reflect the market's assessment of the time value of money and the specific risks associated with the asset.

Depreciation

If the company initiates its own mining, the useful life of capitalized expenses will be determined. These expenses will be written off in line with the ore mining.

Withdrawal of exploration permit

If an exploration permit obtained is returned, associated capitalized expenses are reported as write-downs and are included in other operating expenses to the extent that they do not relate to fees that are repaid from the licensing authority.

Financial instruments

Financial instruments reported in the balance sheet include other receivables, accounts payable, and other liabilities. The instruments are reported in the balance sheet when Vilhelmina Mineral becomes a party to the instrument's contractual terms.

Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred virtually all risks and benefits associated with ownership.

Financial liabilities are removed from the balance sheet when the obligations have been settled or otherwise terminated.

Accounts receivable and other receivables

Receivables are reported as current assets with the exception of items with maturity more than 12 months after the balance sheet date, which are classified as fixed assets. Receivables are recognized at the amount expected to be paid after deduction of individually assessed bad debts. Receivables that are interest-free or that carry interest that deviates from the market interest rate and have a maturity of more than 12 months, are reported at a discounted present value and the time value change is recognized as interest income in the income statement.

Loan liabilities and accounts payable

Loan liabilities and accounts payable are initially recognized at cost less transaction costs. If the reported amount differs from the amount to be repaid at the due date, the difference is accrued as interest expense over the term of the loan using the instrument's effective interest rate. Hereby, the reported amount and the amount to be repaid correspond to the due date.

Offsetting financial receivables and financial liabilities

A financial asset and a financial liability are offset and reported with a net amount in the balance sheet only when legal set-off rights exist and when a regulation with a net amount is intended or when a simultaneous sale of the asset and settlement of the debt is intended to take place.

Provisions

The company makes a provision when there is a legal or informal obligation and a reliable estimate of the amount can be made. The company calculates present value obligations that are expected to be settled after more than twelve months. The increase in the provision due to the time elapsing is reported as interest expense. Provisions for restructuring are made when there is an established and detailed restructuring plan and the persons concerned have been informed.

Cash Flow Statement

The cash flow statement is prepared in accordance with the indirect method. The reported cash flow comprises only transactions that have led to cash inflows or payments. As cash and cash equivalents, the company classifies, in addition to cash, disposable balances with banks and other credit institutions as well as short-term liquid investments that are listed on a marketplace and have a shorter duration than three months from the date of acquisition.

The parent company's accounting and valuation principles

The same accounting and valuation principles are applied in the Parent Company as in the Group, except in the cases listed below.

Allocations

Changes in untaxed reserves are reported as appropriations in the income statement. Group contributions are reported as appropriations. Group contributions paid to a subsidiary are, however, reported as an increase in the carrying amount of the share.

Shares and participations in subsidiaries

Shares and participations in subsidiaries are recognized at cost less any impairment losses. The acquisition value includes the purchase price paid for the shares and acquisition costs. Any capital contributions and group contributions are added to the acquisition value when they are submitted. Dividends from subsidiaries are reported as revenue.

Equity

Shareholders' equity is divided into restricted and unrestricted capital, in accordance with the classification of the Annual Accounts Act

Note 2 Estimates and assessments

Vilhelmina Mineral makes estimates and assessments about the future. The estimates for accounting purposes that result from these will, by definition, rarely correspond to the actual result. The estimates and assumptions that represent a significant risk are discussed in the main below.

Intangible assets

Intangible fixed assets are tested on an ongoing basis in case there are indications that an impairment requirement exists. Assets that are subject to depreciation are tested for any impairment requirement when events have occurred or when there are circumstances that indicate that the recoverable amount does not amount to at least the book value. Impairment is made with the amount by which the book value exceeds the recoverable amount. The recoverable amount consists of the highest of the net sales value and value in use. The useful value is the present value of the estimated future cash flows. The cash flows have been based on financial plans established by the Group management and approved by the Board and which normally cover a period of five years. Cash flow beyond this period has been extrapolated using an estimated growth rate.

As of December 31, 2018, the book value of intangible fixed assets of kSEK 9,447 relating to projects covered by extraction rights in Norway and covered by the application for processing concession in Sweden has been tested by impairment assessment. Impairment assessment carried out on December 31, 2019 shows that there is no impairment requirement

Note 3 Risks and uncertainties

Business risks

All entrepreneurship and ownership are associated with risk taking, and in this case Vilhelmina Mineral is no exception. The operations conducted in Vilhelmina Mineral offer great opportunities, but also entail significant risks. Vilhelmina Mineral's operations must be evaluated against the background of the risks, costs and difficulties that companies active in exploration are often faced with.

Significant risk and uncertainty factors include, but not exclusively, the results of exploration, continued financing within the Group and handling of license issues. Country-specific risks are also linked to the operations in Norway.

The risks in an exploration company are mainly related to the outcome and costs of exploration as well as price developments in the metal market, but also license issues regarding investigation, processing and the environment. Obtaining the necessary permits and rights in Norway is associated with risks for the company. All estimates of recoverable mineral resources in the soil are largely based on probability assessments. There is therefore no guarantee that estimated mineral resources will remain unchanged over time. In addition, it must be taken into account that Vilhelmina Mineral is at an early stage of its operations.

Vilhelmina Mineral's workforce consists of a very limited number of individuals, all of whom are regarded as key persons in the company. If the key personnel leave the company, it can, at least in the short term, have a negative impact on the business.

External factors such as supply and demand and low and boom times may have an impact on operating expenses, world market prices for metals and stock valuation. The company's future income and share valuation may be affected by these factors, which are outside the company's control.

Financial risks, etc.

Through its operations, the company is exposed to a variety of financial risks, such as currency risk, interest rate risk, price risk, credit risk, liquidity risk and cash flow risk. The company's overall risk management policy focuses on the unpredictability of the financial markets and strives to minimize potential adverse effects on the Company's financial results.

Currency risk

Purchases in the Group mainly take place in Swedish and Norwegian kronor as well as Canadian dollars. Changes in the relationship between the Swedish and Norwegian krona and Canadian dollars have immediate effects on the costs of exploration.

Interest rate risk for cash flows and fair values

Since the Company does not hold any significant interest-bearing assets or liabilities, the Company's income / expenses and cash flow from operating activities are essentially independent of changes in market interest rates.

Price risk

The world market price of metals exhibits historically large fluctuations. If metal prices fall, this can have a negative impact on the value of the Company's project portfolio.

Liquidity and financing risk

Liquidity risk means that payment obligations cannot be fulfilled as a result of insufficient liquidity. The management closely follows up-to-date updated forecasts for the Company's liquidity reserve.

The company may need new capital for further exploration, in order to run projects for mining operations or to finance activities in general. The company's ability to cope with future capital needs depends to a large extent on how the business develops and no guarantees can be given that Vilhelmina Mineral will succeed with a new capital procurement even if the business develops positively. This is also determined by the general situation for venture capital.

Capital risk management

The Group's objective regarding the capital structure is to secure the Group's ability to continue its operations, so that it can generate returns for the shareholders and benefit to other stakeholders and to maintain an optimal capital structure to keep the costs of the capital down. In order to maintain or adjust the capital structure, Vilhelmina Mineral may change any dividend paid to the shareholders, repay capital to the shareholders, issue new shares or sell assets to reduce the debt.

Note 4 Distribution of net sales on business areas and geographic markets

Net sales is zero in both Sweden and Norway.

Note 5 Personnel etc.

Note 5 Personnel etc.

There are no employees in the Group. Personnel are hired on consultancy basis.

	the Group 2019-01-01 2019-12-31	the Group 2018-01-01 2018-12-31	Parent 2019-01-01 2019-12-31	Parent 2018-01-01 2018-12-31
kSEK				
Salaries and other remunerations:				
The Board ¹⁾	220	260	220	260
CEO	-	-	-	-
(of which is bonus)	-	-	-	-
Other employees	-	-	-	-
Total salaries and remunerations	220	260	220	260
Pension cost to:				
The Board ¹⁾	-	-	-	-
CEO	-	-	-	-
Other employees	-	-	-	-
Other social insurance costs	25	25	25	25
Total salaries, social- and pension costs, remunerations ersättningar	25	25	25	25

Remunerations to Board members and senior executives

Remuneration to the Chairman and members of the board is paid according to the AGM's decision. At the AGM in 2019, it was decided that the Board fees (until the next AGM) would amount to 220 kSEK, of which 60 kSEK relates to fees to the Chairman of the Board and that the remaining amounts should be distributed in equal parts, 40 kSEK. CEO and COO does not receive any salary but invoices the Company on regular basis.

Remuneration and other benefits in 2019 and 2018 respectively:

	Basic salary/ board fee	Pension	Variable remuneration	Other benefits	Other remuneration	the Group
Year 2018						
Chairman of the Board	60	-	-	-	173	233
Board members	200	-	-	-	35	235
CEO	-	-	-	-	1080	1080
Other senior executives	-	-	-	-	1080	1080
Total	260	0	0	0	2 368	2 628
Year 2019						
Chairman of the Board	60	-	-	-	-	60
Board members	160	-	-	-	426	586
CEO	-	-	-	-	1440	1440
Other senior executives	-	-	-	-	1440	1440
Total	220	0	0	0	3 306	3 526

Comments to the tables:

Remuneration to the Board, CEO and COO refers to full invoicing for services performed. Agreements on related services are made on market terms.

Pensions

Reported pension expense relates entirely to pension plans managed according to the rules for defined contribution plans. The Group has no outstanding pension obligations.

Severance pay

No severance pay is paid.

Gender distribution in the board and management

	2019	2018
Number of Board members	4	5
Of which Women	(0)	(0)
Number of other executives incl CEO	2	2
Of which Women	(0)	(0)

Note 6 Auditor fees

Auditor fees and remunerations

	the Group 2019-01-01 2019-12-31	the Group 2018-01-01 2018-12-31	Parent company 2019-01-01 2019-12-31	Parent company 2018-01-01 2018-12-31
kSEK				
<u>Öhrlings PricewaterhouseCoopers AB</u>				
Audit engagement fees	65	148	65	148
Audit operation beyond audit assignment	70	168	70	168
<u>BDO AS</u>				
Audit engagement fees	10	5	-	-
Audit operation beyond audit assignment	-	23	-	-
Total	145	343	135	316

Öhrlings PricewaterhouseCoopers AB auditor of Vilhelmina Mineral AB and the Group.
BDO AS auditor of Joma Gruver AS.

Note 7 Operating leases

In the consolidated accounts, the operational leasing consists essentially of leased office premises.

Note 8 Tax on earnings for the year

kSEK	The Group 2019-12-31	The Group 2018-12-31	Parent Company 2019-12-31	Parent Company 2018-12-31
The following components are included in the tax expense:				
Current tax	-	-	-	-
Deferred tax	-	-	-	-
Reported tax	0	0	0	0
Reported earnings before tax	-8 527	-11 279	-7 421	-6 922
Tax at current rate 21.4% 2019 and 22% 2018	1 825	2 481	1 588	1 523
Tax effect of:				
- Non-deductible costs and non-deductible income	-8	-18	-8	-18
- New share issue costs recognized directly in equity	2	303	2	303
- Non-capitalized loss carryforwards	-1 819	-2 767	-1 582	-1 808
Reported tax	0	0	0	0

Tax loss carryforwards

At the end of the financial year, there were tax loss carryforwards of kSEK 24 784 (17 392) in the Parent Company and kSEK 27 658 (21 749) in the Group. All loss carryforwards run without a time limit. Any deferred tax asset on unutilized loss carryforwards has not been accounted for for prudential reasons, as its realization is difficult to assess.

Note 9 Intangible and tangible fixed assets

kSEK	the Group 2019-12-31	the Group 2018-12-31	Parent Company 2019-12-31	Parent Company 2018-12-31
Exploration assets/Mining rights				
Opening balance acquisitions	9 414	750	750	750
Acquisitions for the year	-	8 664	-	-
Translation difference	33	-	-	-
Closing balance acquisition	9 447	9 414	750	750
Opening balance depreciation	-	-	-	-
Depreciation for the year	-	-	-	-
Closing balance depreciation	0	0	0	0
Closing book value	9 447	9 414	750	750

Note 10 Financial assets

kSEK	Parent Company	
	2019-12-31	2018-12-31
Opening balance acquisitions	6 014	1 033
Acquisitions for the year	-	4 981
Disposal during the year	-156	-
Write downs for the year	-	-
Closing balance	5 858	6 014
Utgående bokfört värde	5 858	6 014

Investments in subsidiaries consist of the following:

	Org no	Headquarters	Share of equity		
Joma Gruver AS	913385723	Limingen, Norway	50,0%		
Parent Company	Share of equity	Share of votes	Number of shares	Book value 2019	Book value 2018
Joma Gruver AS	50,0%	50,0%	1 000	5 858	5 858
Upgrade Mineral Nordic AB ¹⁾	100,0%	100,0%	15 550 694	-	156

1) Upgrade Mineral Nordic AB has not been consolidated with reference to Swedish Annual Accounts Act 7 kap 5§ st 2 p3. Divided to shareholders in 2019.

Note 11 Share capital

Share capital

The capital of Vilhelmina Mineral AB amounts to SEK 1 657 291.60 divided into 16 572 916 shares as of December 31, 2019. Each share carries equal rights to a share in the Company's assets and earnings, and entitles the holder to one vote and equal rights to dividends. The share's par value is SEK 0.10. The change in equity is shown in the financial reports.

Development of share capital from the formation of the Company

Year	Event	Change of number of shares (pcs)	Change of share capital (kSEK)	Total share capital (kSEK)	Total number of shares (pcs)	par value (SEK)	Subscription price (SEK)	Subscription price recalculated (SEK) ¹⁾
2010	Bolagets bildande	1 000	100	100	1 000	100,00	1,00	0,001
2011	Nyemission	25	3	103	1 025	100,00	10 000,00	10,00
2011	Nyemission	263	26	129	1 288	100,00	21 950,00	21,95
2011	Split	6 438 712	0	129	6 440 000	0,02	-	-
2012	Fondemission		515	644	6 440 000	0,10	-	-
2013	Apportemission	474 236	47	691	6 914 236	0,10	4,50	4,50
2017	Nyemission	3 457 118	346	1 037	10 371 354	0,10	2,17	2,17
2018	Nyemission	700 000	70	1 107	11 071 354	0,10	0,10	0,10
2018	Nyemission	3 457 118	346	1 453	14 528 472	0,10	2,17	2,17
2018	Nyemission	1 022 222	102	1 555	15 550 694	0,10	0,10	0,10
2018	Nyemission	1 022 222	102	1 657	16 572 916	0,10	0,10	0,10

1) Adjusted to current par value

Unrestricted equity

Share premium fund - A share premium fund arises when shares are issued at a premium, i.e. the price for the shares are higher than the par value of the shares. Then an amount corresponding to the amount received in addition to the par value shall be transferred to the share premium fund.

Retained earnings - Consists of previous years' capitalized earnings after a possible dividend has been paid. Together with the profit for the year and the premium fund, make up total unrestricted equity.

Options

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 5.7% 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.

Note 12 Transactions with related parties

Transactions with related parties during financial year 2018:

CEO and Board member, Peter Hjorth, has received compensation of kSEK 1,440 via own company. Board member, Jonas Dahllöf, has received compensation of kSEK 1,440 via own company. Board member Neil Said, has received compensation of kSEK 426 via own company. Agreements covering related services have been made on market based terms.

Purchases and sales between Group companies

For the parent company 0 (0) percent of the year's purchases and 0 (0) percent of the year's sales refer own subsidiaries.

Note 13 Events after balance sheet date

For information on events after the balance sheet date, reference is made to the management report.

The board of directors and the CEO assure that the annual report provides a true and fair view of the group's operations, position and results and describes significant risks and uncertainties that the group faces.

Stockholm, March 13, 2020

Peter Hjorth
CEO and director of the board

Scott Moore
Chairman of the board

Jonas Dahllöf
Director of the board

Neil Said
Director of the board

Les Kwasik
Director of the board

Our audit report has been submitted on March 13, 2019
Öhrlings PricewaterhouseCoopers AB

Henrik Boman
Authorized Public accountant

Auditor's report



Auditor's report

Unofficial translation

To the general meeting of the shareholders of Vilhelmina Mineral AB (publ),
corporate identity number 556832-3876

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Vilhelmina Mineral AB (publ) for the financial year 1 January 2019 to 31 December 2019. The annual accounts and consolidated accounts of the company are included on pages 5-25 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-4 and 29-30. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the

annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Vilhelmina Mineral AB (publ) for the financial year 1 January 2019 to 31 December 2019 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the loss dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for

accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general. The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on

Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm 13 March 2020

Öhrlings PricewaterhouseCoopers AB

Henrik Boman
Authorized Public Accountant

Board, management and auditor

Board

Scott Moore, Canada, Chairman of the Board

Chairman of the Board since 2018, member since 2017.

Scott Moore has over 25 years of experience in senior positions in a commodity industry. Current positions include COO in Canadian investment company Forbes & Manhattan, CEO of the gold company Euro Sun Mining (listed on the Toronto Stock Exchange) and chairman of the copper company Copper One (listed on TSX). Moore was former CEO of Dacha Strategic Metals and long experience from developing companies and businesses in the mining industry. Scott Moore's education includes Bachelor of Arts from Toronto University and an MBA from Kellogg School of Management.

Scott Moore owns 100,000 options in Vilhelmina Mineral.

Neil Said, Canada, Board Member

Member since 2017.

Corporate securities lawyer at Canadian investment company Forbes & Manhattan. Legal Advisor to a number of mining companies listed on the Toronto Stock Exchange and TSX Venture Exchange. Long experience from developing companies and businesses in the mining industry. Said's education includes Juris Doctor from Toronto University and a Bachelor of Business Administration from Wilfred Laurier University.

Neil Said owns 100,000 options in Vilhelmina Mineral.

Les Kwasik, Canada, Board Member

Member since 2017.

Senior VP in the gold company Euro Sun Mining (listed on the Toronto Stock Exchange). Former leading positions in areas such as Inco Ltd. Canada, Xstrata and many other mining companies. Long operational experience from building and operating mines in, among others, South America and Russia. Kwasik has an engineering exam from Opole University of Technology in Poland (B.Sc. Industrial Electrotechnology Engineering).

Les Kwasik owns 100,000 options in Vilhelmina Mineral.

Jonas Dahllöf, Sweden, Board member and COO

Member since 2010. M.Sc. in Business Administration at Stockholm School of Economics with extensive experience from business development and entrepreneurship in IT, media and exploration companies. Previous experience includes among other things the role of Chairman of the exploration company Botnia Exploration (listed on First North) and President of SF Anytime.

Jonas Dahllöf owns privately and via company 2,372,964 shares and 150,000 options in Vilhelmina Mineral.

Peter Hjorth, Sweden, Member and CEO

Board member since 2010, CEO since 2017.

Bachelor of Science at the Stockholm School of Economics with extensive experience from business development and entrepreneurship within, among other things, technology and exploration companies. Previous experience includes positions include President of the Guideline Technology (listed on NGM), co-founder and member of Botnia Exploration (listed on First North).

Peter Hjorth owns directly and through companies 1,144,756 shares and 150,000 options in Vilhelmina Mineral.

Management

Peter Hjorth, Sweden, Member and CEO

See the board above.

Jonas Dahllöf, Sweden, Member and COO

See the board above.

Peter Åkerström, Sweden, CFO

CFO since 2010.

CFO since 2010. 35 years of experience in financial administration within a number of mining-related companies such as Boliden, Guideline Technology, Kilimanjaro Gold.

Peter Åkerström via company 50,000 options in Vilhelmina Mineral.

Randolph Ruff, USA, VP Exploration

VP Exploration since 2017.

Exploration manager since 2017. Has over 25 years of experience as a geologist in the mining and mineral prospecting industry from assignments in the western US, East and West Africa, Europe, South America. Ruff has among other things worked for the Santa Fe Pacific Gold, Newmont Mining, SAMAX Gold, Carpathian Gold and later Euro Sun Mining. Ruff has a degree in geology from California State University, Fullerton (B.Sc.) and also a master's degree in geochemistry from New Mexico Institute of Mining and Technology (M.Sc.). He is a registered geologist in Ontario, Canada (Registered Professional Geologist (P.Geo.)).

Randolph Ruff owns 50,000 options in Vilhelmina Mineral.

Auditor

The company's auditor is Öhrlings PriceWaterhouseCoopers AB, with authorized public accountant Henrik Boman as auditor in charge, Öhrlings PriceWaterhouseCoopers AB has been auditor of the Company since 2010.



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