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PRESS RELEASE, 17 May 2016

Nordic Mines reports an updated Mineral Resource based on a sorting process

Nordic Mines AB (publ) ("Nordic Mines" or the "Company") is reporting an updated Mineral Resource Estimate for the Laiva mine as of May 16, 2016.

The updated Mineral Resource Estimate is based upon recent ore sorting tests of a small tonnage throughput from the Laiva deposit. The JORC Code 2012 compliant Mineral Resource update is further based upon the Company's January 1, 2015 Mineral Reserve and Mineral Resource report using the January 1, 2015 pit shell data and mining cut off grades as benchmarks but reporting from updated pit shells based on updated costs and technical data as a result of the ore sorting scenario test work results.

Using a USD 1,400 gold price (previous USD 1,510) and a cut off grade at 0.3 g/t (previous 0.6 g/t), a reduction of 0.3 g/t due to the sorting, the Measured and Indicated Mineral Resource is 24,320,000 tons (1.13 g/t), containing gold of 885,000 tr.oz. In addition, the Inferred Mineral Resource is 4,370,000 tons (1.64 g/t), containing 231,000 tr.oz. This is a 13% increase in contained gold (measured/indicated) compared to the previous resource statement. Using the same gold price as in the previous model the increase in contained gold would be around 25%.

The tables below shows the most recent update to the Mineral Resource estimate that includes ore sorting that reduces the amount of waste rock and the previous Mineral Resource estimate without sorting.

Laiva Mineral Resource, with sorting (May 16, 2016)

Category	Tonnage (t)	Au Grade (g/t)	Gold (kg)	Gold (tr.oz)
Measured	-	-	-	-
Indicated	24,320,000	1.13	27,500	885,000
Measured + Indicated	24,320,000	1.13	27,500	885,000
Inferred	4,370,000	1,64	7,200	231,000

The mineral resource is reported at a cut off of 0.3 g/t.

The calculation of the mineral resource was based on an assumed five-year gold price of € 1,225 per tr.oz (USD 1,400 per tr.oz).

Laiva Mineral Resource - Without sorting (1 January 2015)

Category	Tonnage (t)	Au Grade (g/t)	Gold (kg)	Gold (tr.oz)
Measured	-	-	-	-
Indicated	15,970,000	1.52	24,300	780,000
Measured + Indicated	15,970,000	1.52	24,300	780,000
Inferred	3,220,000	2.08	6,700	215,000

The mineral resource is reported at a cut-off grade of 0.6 g/t.

The model for the calculation of the mineral resource is limited by an assumed gold price of EUR 1,300 per tr.oz (USD 1,510 per tr.oz).

Laiva Mineral Reserve, based on resource without sorting (January 1, 2015)

Category	Tonnage (t)	Au Grade (g/t)	Gold (kg)	Gold (tr.oz)
Proved	-	-	-	-
Probable	9,367,000	1.19	11,200	360,000
Proved + probable	9,367,000	1.19	11,200	360,000

The mineral reserve is reported at a cut off grade of 0.6 g/t.

The calculation of the mineral reserve was based on an assumed five-year gold price of EUR 1,020 per tr.oz (USD 1,184 per tr.oz).

Background

In an effort to optimize the mine plan, Nordic Mines conducted several ore sorting tests with two leading German laser sorting manufacturers, Steinert and Outotec-Tomra. Based on a small tonnage throughput using different sizes and threshold settings, Nordic Mines was able to establish that the Laiva volcanic and quartz diorite ore responded well to the sorting system in terms of accurate rejection of waste permitting a pro forma upgrade of ore reporting to the mill, resulting in a significantly increased Mineral Resource estimate. Further sorting tests involving greater ore tonnages will be carried out in the coming months.

Based on the sorting results to date, Nordic Mines has appointed Dr John Arthur FGS, CGeol to conduct an independent JORC Code 2012 compliant update of the 1st Jan 2015 report using the 1st January 2015 pit shell data and mining cut off grades as benchmarks but reporting the new Mineral Resource from pit shells generated by SRK Consulting using revised cost and modification factors based on the assumed results of the ore sorting test work. The Company intends to continue test work in the coming months involving larger tonnages to thoroughly test the system prior to making a formal decision as to future adoption of sorting into the mainstream mining program.

CEO's statement

“Our stated objective is to be a low cost high efficiency miner capable of being profitable across the commodity price cycle. We have made significant progress in achieving the goal of being globally cost competitive and to operate the mine and processing plant at full capacity.

We are currently carrying out an in depth review of the geology, mining techniques and processing techniques at the Laiva mine. A key objective is to find a way to profitably adopt a close to bulk mining technique on the large, but low grade, mineral deposit. The Laiva deposit is open at depth and along strike and we continue to believe that the deposit holds a significant potential for increase.

Laser sorting systems provide an opportunity to significantly increase the gold content of low-grade ore fed to the plant, which will improve both profitability as well as mineral reserves.

Initial results indicate the potential to have a significant positive effect on the profitability and cash-cost of Laiva as low-grade ore, which was uneconomic before, can be extracted profitably.

Our work indicates the possibility of profitable operation at a significantly lower grade than before. The new resource model has been set at 0.3 g/t as opposed to 0.6 g/t in January 2015.

The May 2016 resource statement uses a long term forecast of USD 1,400 per tr.oz compared to USD 1,510 per tr.oz in January 2015. Despite the lower gold price assumption, there is a significant increase in total tonnage and contained gold due to the potential ability to operate profitably at a far lower cut off grade.

Test work now continues as well as preparation of a Technical Economic Model with quantification of revised operating costs. The results of the additional ore test work will be taken into a new geological model, utilising larger block units appropriate to bulk mining, mineral resource optimisation, with all allied to a new bulk mining mine design, all of which is expected to have further positive effect on operating costs and recovery of contained gold. We expect to announce the further results of this work in the near future.

We consider the results of our work to date promising and look forward to putting Laiva back into production.”

D. Saradhi Rajan
CEO, Nordic Mines

Calculations of Mineral Resource 2016

The 2016 updated Mineral Resource is based on the Mineral Resource that was reported as of January, 2015 and based on a geostatistically derived grade block model that reported the Mineral Resource in blocks of 4x4x5 meters from an optimised pit shell produced using a gold price of USD 1,510 per tr.oz and using a 0.6 g/t cut off. The 2016 updated Mineral Resource reports from the same block model with no changes to the grade distribution, but is based on the portion of the total mineralisation (41 million tonnes) that is estimated to be profitable to mine in the open-pit mine at a gold price of EUR 1,225 per tr.oz or USD 1,400 per tr.oz and reporting at a lower cut off grade of 0.3 g/t.

The Mineral Resource Estimate has been reported in accordance with the current JORC code ("JORC Code 2012"). The Competent Person accepting the professional responsibility for the Mineral Resource Estimate is Dr John Arthur, who is a Chartered Geologist and Fellow of the Geological Society of London.

The content of this press release has been reviewed and approved by Peter Kuiper, Head of Development for Nordic Mines and a Qualified Person (QP) registered with SveMin.

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For more information about Nordic Mines, please visit; www.nordicmines.se.

The information above has been made public in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. The information was published at 08.00 a.m. (CET) on May 17, 2016.

Nordic Mines is a Nordic mining and exploration company. The Laiva mine in Finland produced gold between 2011 and 2014. The deposit is among the largest in the Nordic region. Nordic Mines is a member of SveMin and applies its reporting regulations for public mining and exploration companies. The Nordic Mines share has been admitted for trading on Nasdaq Stockholm's Small Cap list. Also refer to www.nordicmines.se.