



Press release

29 November 2017

IFOX Investments AB - Update

Proposed Dividend of IFOX Held NMR Shares

In May 2017, IFOX Investments AB (formerly Interfox Resources AB) (the "Company" or "IFOX") as remuneration for the sale and transfer of shares in and claims on Mezhlisa Resources Cyprus Limited ("MRC") and the subsequent set-off of the debt notes into shares, IFOX in two steps received in total 232,505,147 shares (the "IFOX Held NMR Shares") plus a convertible note (the "Convertible Note") entitling the Company to receive a further 11,939,297 shares, in the capital of Nickel Mountain Resources AB ("NMR").

At the time of the Company's AGM held on 30 June 2017, it was the intention of the Board to pass a dividend of all the IFOX Held NMR Shares to IFOX shareholders in 2 stages. At that time, NMR shares were trading at approximately 0,90 SEK per share and the then value of the Convertible Note was approximately SEK11M and anticipated to be adequate to fund accrued liabilities and the working capital requirements of the Company going forward, as intended when the deal was structured during the first quarter of 2017.

On July 7, 2017 the Company declared a dividend of 69,751,544 of the IFOX Held NMR Shares to shareholders, completing the first stage of the planned dividend.

The remaining 162,753,603 IFOX Held NMR Shares that were issued to IFOX after the completion of the first dividend today represents a further 59% of the current issued share capital of NMR.

In August, the Company received confirmation from the Swedish Tax Agency that the Company was authorised to bring forward its accounting reference date and financial year from 31 December to 30 June 2017. On 13 October 2017 the Swedish Tax Agency confirmed that the second stage dividend would attract preferential tax status in the hands of shareholders (Lex Asea). This confirmation was important to the Company being able to declare the second stage dividend in respect of further IFOX NMR Shares held by the Company.

The Board now plans to convene the Company's Annual General Meeting to be held on or around 29 December 2017 for the purposes inter alia of proposing a dividend of further IFOX NMR Shares for approval by shareholders. Formal notice of the meeting is planned to be despatched shortly to shareholders.

Since the last AGM, the market value of the Convertible Note has dropped significantly from approximately SEK11M to less than SEK3M, and at the same time the Company has incurred significant unbudgeted legal and other external costs and potential claims, not anticipated at the



time of the AGM. In August 2017 the Company took up a short term loan of SEK 2 million in order to pay some pressing costs.

The Company is in the process of finalising its audited accounts for the accounting period ended 30 June 2017 which will be presented to shareholders for approval at the next AGM. As part of the audit and in order to satisfy the working capital/going concern requirements of the Company, the Company now has to withhold 23,250,515 IFOX Held NMR Shares from the second stage dividend. These shares are required to be held back by the Company and the proceeds from them will be made available to discharge the current liabilities of the Company as well as support its minimal ongoing working capital requirements which continue to be reduced.

The current value of the withheld shares together with the Convertible Note is approximately SEK 7.9M – still significantly less than the value of the Convertible Note at the time of the last AGM and according to the plan for the deal, having enough capital for IFOX going forward.

The Company has for some time worked to determine the going forward costs and liabilities for IFOX and to secure the capital need and financial position for the coming period, to be able to give the remaining dividend to the shareholders.

Accordingly, at the AGM in December, the Board intends to propose that 139,503,088 of the remaining IFOX Held NMR Shares, representing approximately 50% of the issued share capital of NMR today, will be proposed to be distributed to shareholders by way of dividend.

In order to meet the Company's immediate cashflow requirements, the Company has on 27 November 2017 placed the 23,250,515 withheld IFOX Held NMR Shares in one block, outside the market, at a price of SEK 0,215 per share. The short term loan of SEK 2 million is repaid at the same time. IFOX will not sell any further shares in NMR. The main owner, FEPI, has not sold any shares either during the autumn.

Tomsk asset

As part of the transaction in May 2017, the Company was appointed by NMR to assist it to find a buyer and/or investor in the Tomsk asset and is entitled to fee of 10% of the transaction value in the event of a successful transaction.

The Company continues to work in a number of markets to find sale and/or partnering opportunities and also together with Mikhail Malyarenko, the partner in Tomsk to explore opportunities within Russia. Any communication around this subject is to be made by NMR, but is the key focus of the Company.

The future of IFOX

The Board is selectively exploring potential new business opportunities to leverage the IFOX platform. In view of the financial position of the Company the main focus is on opportunities that are immediately cash generative and require minimal capital investment.



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The Board of Directors

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