



**ÅRSBERETNING
OG
ÅRSREGNSKAP

NUSSIR ASA

FOR

2016**

Selskapets virksomhet

Nussir ASA sin visjon er å etablere og bygge opp et lønnsomt lete- og gruveselskap på grunnlag av selskapets nåværende malmrettigheter for kobber og edelmetaller i Kvalsund kommune. Nussir ASA har lete- og utvinningsrettigheter og driver lete- og utviklingsvirksomhet på forekomstene Nussir og Ulveryggen i det geologiske Repparfjordvinduet. Selskapets oppdaterte ressursestimat per januar 2017 er på 72,0 mill tonn malm fordelt med 64,3 mill tonn malm med 1,17 % Cu for Nussir og 7,7 mill tonn malm med 0,81 % Cu for Ulveryggen.

Økonomisk resultat

Selskapet er fortsatt i undersøkelsesfasen. Inntekter i 2016 ble NOK 2,6 millioner, hovedsakelig tilskudd fra Innovasjon Norge. Samlede driftskostnader ble NOK 20,8 millioner og netto driftsresultat NOK -18,2 millioner. Netto resultat før skatt ble NOK -18,0 millioner. Selskapet har ikke balanseført fremførbare underskudd. Utviklingskostnader for ressurs er aktivert i balansen i henhold til N-GAAP. Per 31. desember 2016 utgjør samlede eiendeler NOK 22 624 683 hvorav aktiverte utviklingskostnader utgjør NOK 14 878 701 og omløpsmidler NOK 7 745 982. Likvide midler er NOK 5 795 125. Selskapet fikk i 2016 tilført NOK 10 000 000 i ny egenkapital gjennom emisjon rettet mot selskapets aksjonærer. Selskapets frie egenkapital er NOK 22 142 671. Netto kontantstrøm for året var på NOK -9 312 366. Styret anser ikke at selskapet er i posisjon til å dele ut utbytte.

Aktivitene i 2016

Selskapet har i 2016 drevet boring på utvinningsrettighetene i Kvalsund kommune, og det er lagt ned et betydelig arbeid i søknader knyttet til offentlige godkjenninger av mulig drift. Etter boreprogrammene ble det i begynnelsen av 2017 gjort en oppdatering av det JORC-klassifiserte ressursestimatet. Disse medførte en justering i samlede ressurser til totalt 72 mill. tonn malm med i forekomstene Nussir og Ulveryggen, fordelt på 21 mill. tonn indikerte ("indicated") ressurser og 51 mill. tonn antatt ("inferred") ressurser. Malmforekomstene er åpne mot dypet og mot øst, mens dagnær malm i vest på Nussir er foreløpig avgrenset. Utvinningsretter for Nussir forekomsten ble fornyet i 2016 for 10 år frem til 2026.

Selskapet gjennomførte i 2010-2011 en omfattende konsekvensutredning som del av reguleringsplan med sikte på å åpne for gruvedrift i kommunen. Kvalsund kommunestyre vedtok planen i 2012. Nussir ASA søkte i 2011 om utslippstillatelse fra Miljødirektoratet, og fikk denne godkjent desember 2015. Utslippstillatelsen ble anket og var under ankebehandling i Klima- og miljødepartementet hvor den i desember 2016 ble endelig godkjent.

Selskapet har i 2016 hatt nært samarbeid med Kvalsund kommune og andre involverte aktører med sikte på å utvikle nødvendig infrastruktur og arealer.

Organisasjon

Selskapet har basert sin drift på innleide ressurser, og hadde i 2016 ingen fast ansatte. Innleide konsulenter tilsvarende ca. 3 årsverk. Arbeidet har vært ledet av selskapets administrerende direktør, Øystein Rushfeldt, etter avtale gjennom sitt eget selskap, Antaeus AS. Antaeus AS er femte største aksjonærer i selskapet med en eierandel på 5,8 %.

Helse, sikkerhet og miljø

Selskapet har som prinsipp at alle aktiviteter skal foregå under hensyntagen til ansattes og leverandørers helse og sikkerhet. Ingen skader eller sykefravær er rapportert i løpet av året.

Det ble i 2016 gjennomført boring i tilknytning til kobberforekomstene. Aktivitetene ble gjennomført på en måte som tilstrebet en skånsom behandling av miljøet, i tråd med nødvendige tillatelser. Det har i 2016 ikke foregått andre aktiviteter som har medført inngrep i naturen. For fremtidig leteaktivitet og gruvevirksomhet vil det bli tatt behørig hensyn til miljøet for å begrense mulige skadevirkninger.

Like muligheter

Selskapet legger til rette for karrieremessig og personlig utvikling og sikter mot å oppnå en tilfredsstillende balanse mellom kjønnene i ledelse og organisasjon. Styret besto pr. 31.12.2016 av en kvinne og to menn

FOU-aktiviteter

Selskapet utvikler en gruveforekomst, og det gjøres ikke noe FoU arbeid ut over dette.

Fortsatt virksomhet

Selskapets utviklingsprosjekter er foreløpig ikke i produksjon og genererer derfor ikke inntekter. Selskapet er derfor avhengig av å reise finansiering i kapitalmarkedet for å finansiere sin virksomhet. Styret er komfortabel med at selskapet vil lykkes med dette, og bekrefter herved at årsrapporten er gjort opp ut fra forutsetning om fortsatt drift.

Risikofaktorer

Selskapets ressursestimater bygger på tilgjengelige data fra prøveboringer og andre undersøkelsesaktiviteter. Virkelig mengde malm, samt innhold av metaller, kan være både høyere og lavere. Geologiske forhold som er ukjente for selskapet, kan forsinke prosjektet, medføre høyere kostnader eller på annen måte påvirke fremtiden for prosjektet.

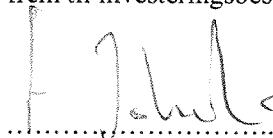
Utvikling og drift av malmforekomstene forutsetter at selskapet til enhver tid har nødvendige tillatelser fra myndighetene, herunder leterett, utvinningsrett, driftskonsesjon, godkjent reguleringsplan og utslippstillatelser fra Miljødirektoratet. Selskapet er i dialog med berørte interesser i området for å finne fram til omforente løsninger for sameksistens mellom ny og etablert virksomhet i området. I tillegg er selskapet i dialog med besittere av eiendom og infrastruktur for å få på plass nødvendige avtaler.

Selskapet har ikke tilstrekkelig kapital til å finansiere nødvendige investeringer inntil selskapet kan oppnå positiv kontantstrøm, og er derfor avhengig av tilgang på ny kapital til finansiering av slike investeringer. Selskapets evne til å tiltrekke seg ny kapital vil til dels bero på ytre forhold som selskapet ikke har kontroll over.

Prisene på metaller varierer. Selskapets forventninger til fremtidige priser kan vise seg å være feil. Selskapet har pr 31.12.2016 ingen konti eller forpliktelser i annen valuta enn norske kroner. Ettersom metaller blir priset i internasjonal valuta, mens selskapet vil ha det vesentligste av sine kostnader i norske kroner, kan fremtidige valutasvingninger påvirke lønnsomheten.

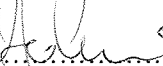
Framtidsutsikter

Selskapet vil fortsette arbeidet med å tilrettelegge for oppstart av gruvedrift på selskapets malmforekomster i Kvalsund kommune, herunder videreføring av arbeidet med å kartlegge malmressursene og innhente nødvendige tillatelser. Selskapet tar sikte på å gjennomføre ytterligere kapitalutvidelse for sikre nødvendig finansiering av virksomheten. Driften er til enhver tid tilpasset selskapets finansiering. Selskapet har som målsetning å bringe gruveprosjektet via en feasibility studie frem til investeringsbeslutning i 2017

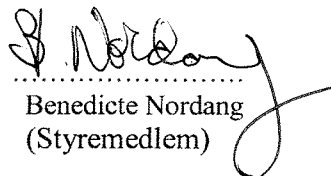


Francis P.H. Johnstone
(Styremedlem)

21.mars 2017



Nikolai Johns
(Styreleder)



Benedicte Nordang
(Styremedlem)



Øystein Rushfeldt
(Adm. Direktør)

Resultatregnskap

Nussir ASA

	Note	2016	2015
Andre driftsinntekter		2 566 487	0
Sum driftsinntekter		2 566 487	0
Lønnskostnad	1	633 138	209 327
Annen driftskostnad		20 117 258	7 862 038
Sum driftskostnad		20 750 395	8 071 365
Driftsresultat		-18 183 908	-8 071 365
Annen renteinntekt		156 468	136 335
Annen finansinntekt		9 686	22 026
Sum finansinntekter		166 154	158 361
Annen rentekostnad		388	917
Annen finanskostnad		30 819	42 666
Sum finanskostnader		31 207	43 582
Sum netto finansposter		134 948	114 778
Ordinært resultat før skattekostnad		-18 048 961	-7 956 587
Ordinært resultat		-18 048 961	-7 956 587
Årsresultat		-18 048 961	-7 956 587
Overført annen egenkapital		-18 048 961	-7 956 587
Sum disponert		-18 048 961	-7 956 587

Balanse

Nussir ASA


	Note	2016	2015
Eiendeler			
Anleggsmidler			
Immaterielle eiendeler			
Opparbeidet kobberforekomst	2	14 878 701	14 878 701
Sum immaterielle eiendeler		14 878 701	14 878 701
Varige driftsmidler			
Finansielle anleggsmidler			
Sum anleggsmidler		14 878 701	14 878 701
Omløpsmidler			
Fordringer			
Andre fordringer		1 950 857	2 204 832
Sum fordringer		1 950 857	2 204 832
Investeringer			
Bankinnskudd, kontanter o.l.	4	5 795 125	15 107 491
Sum omløpsmidler		7 745 982	17 312 323
Sum eiendeler		22 624 683	32 191 024

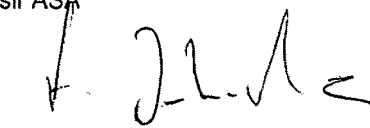
Balanse

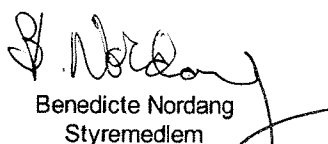
Nussir ASA


	Note	2016	2015
Egenkapital og gjeld			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	5,6	7 253 129	6 681 700
Aksjekapital ikke reg. i Br.sund	5,6	80 000	0
Overkurs	5,6	12 489 542	21 109 931
Overkurs ikke reg. i Br.sund	5,6	2 320 000	0
Sum innskutt egenkapital		22 142 671	27 791 631
Opptjent egenkapital			
Sum egenkapital		22 142 671	27 791 631
Gjeld			
Avsetning for forpliktelser			
Annen langsiktig gjeld			
Kortsiktig gjeld			
Leverandørgjeld		458 595	94 513
Skyldige offentlige avgifter		23 417	0
Annen kortsiktig gjeld		0	4 304 880
Sum kortsiktig gjeld		482 012	4 399 393
Sum gjeld		482 012	4 399 393
Sum egenkapital og gjeld		22 624 683	32 191 024

Alta, 21.03.2017
Styret for Nussir ASA


Nikolai Johnes
Styreleder


Francis P.H. Johnstone
Styremedlem


Benedicte Nordang
Styremedlem


Øystein Rushfeldt
Administrerende direktør



NUSSIR ASA

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR

2016

The Company's Business

Nussir ASA's vision is to establish and develop a competitive exploration and mining company based on its current ore rights for copper and precious metals in Kvalsund. Nussir ASA has preclaims and claims and is engaged in exploration on the Nussir and Ulveryggen deposits in the geological Repparfjord area. The Company's last updated resource estimate as of January 2017, is 72.0 million tonnes of ore divided between 64.3 million tonnes at 1.17 % Cu for Nussir and 7.7 mill tons at 0.81% Cu on Ulveryggen.

Financial Results

The Company is still in the exploration phase. Income in 2016 were NOK 2.6 million, mainly from the grants received from Innovation Norway. The Total Operating Costs were at NOK 20.8 million and the Net Operating Loss was NOK -18.2 million. Net Loss before Tax was -18.0 million. The Company has not recorded deferred future tax advantages as result of tax loss carried forward. Exploration Expenses for discovery towards Inferred resource is capitalized in the Balance Sheet according to Norwegian GAAP. As of 31 December 2016, the company's Total Assets was NOK 22,624,683, of which capitalized Development Costs amounted to NOK 14,878,701 and Current Assets were recorded at NOK 7,745,982. Liquid Assets (Cash and Cash Equivalents) are at NOK 5,795,125. The company has in 2016, received NOK 10 million in new equity through a private placement from the company's shareholders. NUSSIR ASA's distributable equity is NOK 22,142,671. The Net Cash Flow for the year was NOK -9,312,366. The Board considers that the company is not in a position to distribute dividends.

Activities in 2016

During 2016 the Company has carried out drilling activities on its exploitation rights in Kvalsund municipality, and has done considerable work related to applications for official approvals of its possible operations. After the drilling programs, updates were conducted in the beginning of 2017 on the JORC-classified resource estimate. These led to an adjustment in total resources to total 72 million tonnes of ore in the Nussir and Ulveryggen deposits, divided into 21 million tonnes indicated ("Indicated") resources and 51 million tonnes assumed ("Inferred") resources. The said ore deposits are open to its depth and towards the east, while the near-surface ore west of Nussir is currently delineated. The Company's claims to the Nussir deposit were renewed in 2016 for another 10 years till 2026.

The Company completed a Comprehensive Environmental and Social Impact Assessment in 2010-2011 as part of the Zoning Plan, with the aim of opening a mine in the municipality. The Kvalsund Municipality Council approved Nussir's application for the zoning plan in 2012. Nussir ASA applied in 2011 for a Tailings Disposal Permit from the Norwegian Environment Agency (MD) and it was approved in December 2015. Said permit is appealed to the Ministry of Climate and Environment and was approved with finality in December 2016. Nussir continues to cooperate closely with Kvalsund municipality and with other relevant stakeholders in order to develop the necessary infrastructure and land-areas.

Organization

Nussir has based its operations on contracting consultants, and did not have permanent employees in 2016. The total man-years were about 3. Managing Director, Øystein Rushfeldt, through a Management Service Agreement between Nussir and Antaeus AS, has led the work. Antaeus AS is the fifth largest shareholder in the company with a stake of 5.8%.

Health, Safety and Environment

It is Nussir's policy that all activities shall be carried out giving high regard to its employees' and service suppliers' health and safety situation. No injuries or sick leave have been reported during the year.

Drilling, geophysical surveys and field mapping activities in association with copper deposits were carried out in 2016. The activities were conducted in a manner that has minimized the impact on the environment and in accordance with the necessary permits. No other activity with environmental impact was conducted in 2016. Nussir shall adopt measures and technology for its new exploration and mining activities that will minimize the possible hazardous effects on the environment and the society in general.

Equal Opportunities

The company facilitates career and personal development and aims to achieve a satisfactory balance between genders in management and organization. The Board, as of 31 December 2016, consisted of one woman and two men.

Research & Development

Nussir is focused on developing its mine deposits. No other research and development work has been done.

Going Concern

The Company's projects are not in production and therefore do not generate revenue. The Company therefore has to raise funds from capital markets in order to finance its activities. The Board are satisfied that the Company will be able raise funds to progress its projects over the next 12 months and accordingly these hereby confirms that the Annual Report has been prepared under the going concern assumption.

Risk Factors

Nussir's resource estimates are based on available data from test drilling and other exploration activities. The fair amount of ore, and the content of metals, can be both higher and lower. Geologic conditions that are unknown to the company may delay the project, lead to higher costs or, otherwise, affect the future of the project.

Development and operation of ore deposits requires, at all times, that the company has the necessary governmental permits for exploration activities, including exploration rights, exploitation permits, approved Zoning plan and Tailings Disposal permit from the Ministry of Climate and Environment. Nussir is in dialogue with the affected interests and other stakeholders in the area to identify and agree plans for harmonious coexistence. In addition, the company is in dialogue with the users of properties and infrastructures to establish the necessary agreements.

Nussir does not have sufficient capital to finance the necessary investments until it can achieve positive cash flow, and therefore, depends on access to new capital in order to finance such investments. The Company's ability to attract new funding will partly depend on external factors that are beyond the company's control.

Prices of metals vary. The company's expectations of future prices may prove to be incorrect. Nussir has, as of 31 December 2016, no current accounts, receivables or liabilities in currencies other than Norwegian kroner. Conversely, it also does not have liabilities in other currencies. Since metals are priced in foreign currency, and while the company will have most of their costs in Norwegian kroner, future currency fluctuations may affect profitability.

Prospects

Nussir will continue its efforts to facilitate the commencement of mining operations at the company's copper ore deposits in Kvalsund municipality, as well as the continuation of efforts to map out the ore resources and obtain the necessary government permits.

Nussir intends to implement further capital increase to secure the necessary funding for its operations. Operations are always adapted to the company's financial standing. Nussir aims to bring the mining project forward to Definitive Feasibility Study until the investment decision in 2017.

20 March 2017

(Sgd.) Francis P.H. Johnstone
Board Member

(Sgd.) Nikolai Johns
Chairman

(Sgd.) Benedicte Nordang
Board Member

(Sgd.) Øystein Rushfeldt
CEO

Statement of Profit and Loss for Accounting Year 2016

Nussir ASA

All figures are in NOK		Note	2016	2015
Other Operating Income			2 566 487	0
Total Other Operating Income			2 566 487	0
Operating Expenses				
Salaries and Wages		1	633 138	209 327
Other Operating Expenses			20 117 258	7 862 038
Total Operating Expenses			20 750 395	8 071 365
Net Operating Loss			(18 183 908)	(8 071 365)
Financial Income and Expenses				
Other Interest Income			156 468	136 335
Other Financial Income			9 686	22 026
Total Financial Income			166 154	158 361
Other Interest Expenses			388	917
Other Financial Expenses			30 819	42 666
Total Financial Expenses			31 207	43 582
Total Net Financial Income			134 948	114 778
Net Loss Before Tax			(18 048 961)	(7 956 587)
Net Loss			(18 048 961)	(7 956 587)
Net Loss for the Year 2016			(18 048 961)	(7 956 587)
Transfer from Share Premium Account			(18 048 961)	(7 956 587)
Total Transfers			(18 048 961)	(7 956 587)

Balance Sheet

Nussir ASA

All Figures are in NOK	Note	2016	2015
ASSETS			
Non-Current Intangible Assets			
Concessions, Patents, Licenses etc.	2	14 878 701	14 878 701
Total Intangible Assets		14 878 701	14 878 701
Intangible Fixed Assets			
Financial Assets			
Total Non-Current Fixed Assets		14 878 701	14 878 701
Current Assets			
Receivables			
Other Receivables		1 950 857	2 204 832
Total Receivables		1 950 857	2 204 832
Investments			
Cash and Other Cash Equivalents	4	5 795 125	15 107 491
Total Current Assets		7 745 982	17 312 323
TOTAL ASSETS		22 624 683	32 191 024

Balance Sheet

Nussir ASA

	Note	2016	2015
EQUITY & LIABILITIES			
EQUITY			
Paid-In Capital			
Share Capital	5,6	7 253 129	6 681 700
Share Capital not registered with Br.sund	5,6	80 000	0
Additional Paid-in Capital	5,6	12 489 931	21 109 931
Additional Paid-in Capital not registered with Br.sund	5,6	2 320 000	0
Total Paid-In Capital		22 142 671	27 791 631
Retained Earnings			
Total Equity		22 142 671	27 791 631
LIABILITIES			
Provisions and Account Payables			
Other Non-Current Liabilities			
Current (Short Term) Liabilities			
Liabilities to Suppliers		458 595	94 513
Accrued Tax Liabilities		23 417	0
Other Short-Term Loans		0	4 304 880
Total Current Liabilities		482 012	4 399 393
Total Liabilities		482 012	4 399 393
TOTAL EQUITY & LIABILITIES		22 624 683	31 191 024

Alta, 31 January 2017
Board for Nussir ASA

(Sgd.) Nikolai Johns
Chairman

(Sgd.) Francis Patrick H.H.F. Johnstone
Board Member

(Sgd.) Benedicte Nordang
Board Member

(Sgd.) Øystein Rushfeldt
CEO

Notes to 2016 Financial Statements

The financial statements have been prepared in accordance with the provisions of The Norwegian Accounting Act §1-5 for large enterprises, and the generally-accepted accounting standards and practices in Norway.

Classification

Assets intended for permanent ownership or use, as well as receivables due in more than one year after the date they were posted in the balance sheet are considered as Fixed (Non-Current) Assets. Other assets are classified as Current Assets. Payable amounts falling due more than one year after the accounting period is recorded as Long-term Liabilities.

Fixed Assets and Depreciation

Fixed Assets are valued at Historical (Acquisition) Cost less Depreciation. Depreciation, on the other hand, is calculated on the basis of cost and estimated economical life of the subject asset.

Development Cost relating to the Ore Deposit and Acquired Rights

Effective as of financial Year 2014, the company changed its accounting practice to enable all costs incurred in the development of copper resource, to determine the book value of copper resource in accordance with the Australian JORC Code. The standard classifies mineral resources as Measured, Indicated and Inferred resource. Please refer to Note 2.

Receivables

Receivables are recorded in the balance sheet as its nominal value net of realized and expected losses.

Currency

Transactions in foreign currencies are posted at the date of transaction. Monetary items denominated in foreign currencies are valued at a price at the end of the year. Non-monetary items measured by Historical Exchange Rate valued in foreign currencies are expressed in Norwegian kroner using the exchange rate at the date of transaction.

Taxes

Taxes in the income statement include tax payable and changes in deferred tax. Deferred tax / tax incentive is calculated at 25% based on the temporary differences between accounting and taxable values, as well as tax losses carried forward at the end of the fiscal year. Taxable and deductible temporary differences that reverse or may reverse in the same period are booked at net value.

Operating Revenues and Expenses

Revenue is recognized according to accrual basis, which is normally the time of delivery for goods and services. Costs follow the Matching Principle, i.e, that the costs included are in the same period as when the related revenues were recorded.

Government Grants

Government grants are treated in accordance with NRS 4. Grants that are related to both operating and investment are distributed proportionately. Grants are recognized by the value of the grant at the time of transaction. Grants are treated according to the basic principles of income and expenses. This means that grants are recognized in the same period with the income it will increase or the cost it will reduce. Investment grants are recognized in line with the depreciation of the investment, while a grant received in relation to operating activities are entered against the cost or income item relates to the grant. The grant that is recorded as a reduction of capitalized investment is treated as Deferred Income. Grants are deducted from the asset's acquisition cost, which is presented on a net basis in the balance sheet. Grants are indirectly deducted from depreciation by reducing the acquisition cost of the asset.

The company has in 2016, has received a NOK 3 million operating grant from Innovation Norway on its project "Drilling Sampling and Analyses related to Plant Design, etc.". From this said appropriated

amount, NOK 2.4 million was recorded as income for 2016, of which NOK 900 000 was paid in 2016, while NOK 1.5 million was paid in January 2017.

Cash Flow Statement

Cash flow statement is prepared using the Indirect Method. Cash and its equivalents include cash, bank deposits and other short-term, liquid investments.

Note 1 – Salary Expenses, Number of Employees and Remunerations

	2016	2015
Average Number of Employees	0.4	0.0
Salaries	156 843	0
Social Security Expenses	0	0
Other Personnel Expenses	76 295	9 327
Board Remunerations	400 000	200 000
TOTAL	633 138	209 327
Remuneration to the Chairman, Non-taxable	400 000	200 000

Honorarium Paid to the Auditor:

Statutory Audit excl. VAT	71 505	68 086
Other Attestations	0	8 050
Tax Advisory Fees	0	0
Services Other than Auditing	1 167	51 450
TOTAL	72 672	127 586

Nussir ASA has no employees. Average number of employees consists of contractual commitments. In 2016, the total Directors' Fees paid is NOK 400,000 as shown in the table above. The CEO is hired under a separate Management Service Agreement until the company can hire a permanent CEO. Fees to the managing company, Antaeus AS are expensed in full as other operating costs by NOK 1,830,000.

The CEO has also signed an agreement with the Company on performance fees of up to NOK 2,175,000 in relation to the milestones determined by the Board, which runs until 30 June 2018. No other compensation has been rendered.

Note 2 – Depreciation of Fixed and Intangible Assets

	Copper-ore related Activities	Purchase of Rights over Ulveryggen	Total
Procurement Costs 01.01.16	4,878,101	10,000,000	14,878,101
Access	0	0	0
Disposal	0	0	0
Accum. Depreciation 31.12.16	0	0	0
Book Value 31.12.16	4,878,101	10,000,000	14,878,101
Ordinary Depreciation 2016	0	0	0

Depreciation Period

In 2010 the Company paid NOK 10 000 000 for the acquisition of the Ulveryggen deposit. The acquisitions cost is capitalized in the accounts, and will not be influenced by the change in accounting practice as informed in the accounting principles.

With effect from 2014 the Company has decided to change practice for capitalizing exploration cost, to just capitalize development cost related to the actual period. The booked value of the resource is now based on the Preliminary Economic Assessment Study (PEA) issued in 2014. In this report is the

Indicated resource of the Nussir deposit is 5.8 million tonnes out of a total resource of 66 million tonnes. The Book value of NOK. 4.8 million is the estimated value of a share of accrued costs of Indicated resource. Capitalized costs associated with the copper ore will not be subject to annual depreciation before the company becomes operational.

Note 3 – Taxes Payable

	31/12/2016	31/12/2015	Changes
Calculation of Deferred Taxes			
Taxable Temporary Differences	(50 455)	(60 594)	10 139
Deductible Temporary Differences	0	0	0
Assessed Tax Losses Carries Forward	(132 200 304)	(114 145 829)	(18 054 475)
Total	(132 250 759)	(114 206 423)	(18 044 336)
<i>Change in Deferred Tax Liabilities (-)</i>	<i>(31 740 182)</i>	<i>(28 551 606)</i>	<i>(3 188 576)</i>

The Company has chosen not to include Deferred Tax (Assets/Liabilities) due to uncertainties whether the loss carried forward may be applied

Note 4 – Cash and Cash Equivalents

Withholding taxes as of 31/12/16 is NOK 23,417. Provision on the Withholding tax account is NOK. 23,659.

Note 5 – Shareholders

The Company has, as of 31 December 2016, a total of 72 531 285 million shares valued at NOK 0.10, being held by 54 shareholders.

All shares are of the same class and have the same rights.

Shareholders with >1 % of Outstanding Shares as of 31.12.2016	Number of Shares	% Equity
Monial AS	23 013 860	31.73
Credit Suisse AG	16 072 351	22.16
Baker Steel Resource Trust Ltd.	11 027 114	15.2
Hai Invest AS	9 000 000	12.41
Antaeus AS (Øystein Rushfeldt)	4 196 985	5.79
Citibank NA New York	2 326 835	3.21
Trekanten Alta AS	743 000	1.02
Other Shareholders	6 151 140	8.48
Total	72 531 285	100.0

*Antaeus AS received 800.000 shares in Jan 2017 that are not registered per 31.12.2016

Note 6 – Share Capital -Equity

Equity 31.12.2015	Share Capital	Share Premium	Total
Share Capital 1.jan-16 (66 817 000 shares at kr. 0.10)	6 681 700		6 681 700
Share Premium 01.01.16		21 109 931	21 109 931
Share Issue to Shareholders June 2016	571 429	9 428 571	10 000 000
Share Issue to Antaeus AS Dec 2016, unreg.	80 000	2 320 000	2 400 000
Changes in Acctg Practice, see Notes 1 & 2	0	0	0
Loss for the Period		(18 048 961)	(18 048 961)
As of 31.12.2016 (73 331 286 shares at kr 0.10)	7 333 129	14 89 541	22 142 670
Net Loss per share in 2016 is	(kr 0.249)		

Unregistered shares of 800 000 (Antaeus AS) are not included when calculating loss/gain per share.

Note 7 Related Companies

The CEO is hired through his company Antaeus AS, which is also among the five largest shareholders in Nussir ASA. Administration and service agreement with Antaeus AS, and the Board's powers to allocate shares to the General Manager of Antaeus AS are described in Note 1. Antaeus Pro AS, a wholly-owned subsidiary of Antaeus AS, has after consultation with the Board entered into the agreement between Antaeus AS and Nussir ASA.

The Total Honoraria paid for the Administration and Service Agreement are as follows:

Antaeus AS	MSA	NOK 155 000	
Antaeus Pro AS	MSA	1 675 000	totalling to NOK 1 830 000

Note 8 Risks

Operational Risks

- Geological conditions that are unknown to Nussir, could delay the project, and may lead to additional costs or otherwise affect the progress of the project.
- The company's resource estimates are based on available information from test drilling and other exploration activities. The amount of ore and concentration of metals in it may, in fact, appear to be both higher and lower.
- Development and operation of ore deposits requires, at all times, that the company has the necessary governmental permits for exploration activities, including exploration rights, exploitation permits, approved plan and discharge permits from the Ministry of Climate and Environment.
- The project's profitability may be affected by market fluctuations in copper prices, as well as access to and cost trends for labour and other inputs used in the development and operation of the project. Copper prices are normally in U.S. dollars, and the project's earnings will be affected by changes in exchange rates.
- The Board and management would, from time to time, make decisions on the basis of available information. Thus, the company leadership could make judgment calls that may later on be proven to be less than optimal.

Financial Risk

- The company does not have sufficient capital to finance the necessary investments until they can achieve positive cash flow from operations, and will, therefore, be dependent on the availability of new capital to finance them. The company's ability to fund future activities will partly depend on external conditions, which the company has no control over.
- Should the project fail to materialize, there arises a risk that all or part of the value capitalized would not be realized.

Note 9 Environment

Nussir's operations are managed in an area with vulnerable nature and are subject to restrictions set by the local authorities. No costs are incurred in 2016 related to environmental measures, damages, fines, or other environmental obligations.

Reference is also made to the Board's Report concerning the environment.

Note 10 Segment

The Company has only one project, and therefore, operates only in one segment of exploration of ore and mineral deposits.

Note 12 Subsequent Events

The PFS (Pre Feasibility Study) was completed last 19 January 2017 in the form of a report signed by Golder and Associates. The project was begun in late 2015 and has been the main focus throughout 2016, which includes, among others:

- test drilling
- detailed mapping of the Nussir field
- engineering projection of the industrial area
- engineering projection of the mines and tunnels
- acquisition of the industrial area
- financial model

This document is a translation of its original Norwegian version. If for any reason there should be any discrepancies, then the Norwegian version shall prevail.