



Offer of Participation: Delta Minerals AB Share Issue

June 2–19, 2014



Delta Minerals

An environmental project in the mineral rich Philippines

CEO comments



It is with great pleasure that I present Delta Minerals AB, a company which will extract sand and minerals in the Philippines. The company's activities have developed very well during spring 2014. There will be more steps taken for the company development with the goal to start production in 2015. The outcome of the studies performed in the Abra River (Vigan project) has turned out well and is in line with our assumption that the magnetite content of the river is about 6%. The results from the surveys indicate homogeneous material and we can begin working on the technical study and increase surveying distances, which reduces the cost and project time.

We have also agreed with the Cagayan province to investigate the rivers in this province, not least the large Cagayan River. This is very positive, as this will enhance the growth of the company, giving us more projects to work on and a better risk allocation. The Cagayan River is the largest river in the Philippines and very mineral rich. In addition to the Cagayan River, we have also been given permission to explore the rivers Santa Ana, Abolog, Pamplona, Claveria and other tributaries in the province.

Through the positive outcome of the Vigan project, we are now entering a production planning phase. In order to finance the startup of the pilot production and also to undertake studies in and around the Cagayan River, the company is now pursuing a share issue in connection with the listing on AktieTorget. The capital raised through this issuance is expected to last until the first steps of the pilot production, giving the company a cash flow and also ensuring the projects in Cagayan. Furthermore, the intention of the listing is to take an important step towards becoming a reputable international mineral company.

Thomas Lundgren, CEO

Offer summary

The record date	May 28, 2014 (on AktieTorget)
Conditions of issue	Two shares of class A or B gives the right to subscribe for 1 unit
Subscription period	June 2-19, 2014
Subscription price	SEK 0,40 per unit
Unit	1 class B share and 1 warrant giving the right to subscribe for one share of serie B
Maximum no of units	21 329 128
Emission amount	SEK 8 531 650
Option	A subscription warrant entitles to subscription for one B share 16/9-30/9 2014 or 14/11-28/11/2014. The subscription price is equal to seventy-five (75) % of the average volume-weighted price of shares of stock market official price statistics during the period of 20 trading days ending two business days prior to the usage period begins.

Project description

Delta Minerals AB is a public Swedish company engaged in environmental projects in the Philippines with the support of regional/local authorities. The company plans to extract minerals from the rivers in the Cagayan and the Vigan areas in the north. Raw material (river sand) will be transported to a concentrator where iron ore and precious metals are separated. After enrichment, the remaining sand and gravel will be sold as construction and filling material. The disposal of sand in the rivers has a positive impact on the environment and on the people living in this area exposed to flooding due to the erosion material.



The Abra River Delta, Vigan.

Two river areas

The mineral rich delta of the Abra river

The project began in 2007 in the mineral rich Abra river delta in the Vigan vicinity. The river delta is very mineral rich. The company's recent geological studies indicate an average iron ore content of 6.6%, which translated into magnetite is a content of 9.1% (weight percentage). This is in line with the company forecasts. The river delta is estimated to contain at least 36 million m³ of river material, which is refilled approximately 20% yearly through erosion.

The large Cagayan river

The Cagayan River is the largest river in the Philippines located in Northern Luzon, with a catchment area of 27.281 km² and a length of 520 kilometers. Delta Minerals has agreed with the Governor of the Cagayan province to commence studies of future extraction of minerals and sand in the Cagayan River and its tributaries. If the outcome is positive, this could lead to a production agreement. The company is now performing studies on rivers in the Cagayan province.

Economy

Market with a favourable position

The Philippines is well situated in South-East Asia with a great demand for building and filling material. The market situation is improving and the market price is expected to increase. The market for iron ore and precious metals are good and are largely dependent on the development in China.

170 MSEK annual revenue

The company is planning a pilot production in 2015 to get a cash flow as soon as possible. The investment is about 10 MSEK. This is the first step of many to reach full production.

A production of 1.5 million ton annually will generate a contribution of 40 MSEK and when the production will increase to 6 million ton annually it will give a positive cash flow of about 170 MSEK. This is based on a magnetite content of 6% and 10% used for building materials.

An enrichment plant with an annual capacity of 1.5 million tons is estimated to an investment of 60-70 MSEK. To quadruple the production to reach maximum capacity the cost is about 140-160 MSEK.

Vigan and Cagayan are located in the North of the Philippines





The Delta Minerals Board is very active and visits regularly the Republic of the Philippines.

A competent and most active management

The Board of Delta Minerals AB consists of Hakan Gustafsson, Chairman, Thomas Lundgren, CEO, Patric Perenius and Tore Hallberg. The Board Directors of the Philippine company Delta Minerals Global Pacific, Inc. are Hakan Gustafsson, Patric Perenius, Cornelio Casido, Herminio Liwanag and Francis Abad. The board directors have many years of experience of international natural resource companies, particularly in the Philippines. Cornelio Casido is QP (Qualified Person) in the Philippines and is well connected throughout the country. The Board has a very active role in the company and visits regularly the Philippines for procurements and production planning.

Work with social responsibility

Delta Minerals is striving to achieve a safe, environmental friendly and efficient production. The production should be based on thorough engineering studies as a basis for feasibility studies to validate the project's viability before investing.

The rivers in northern Philippines are frequently hit by flooding, which seriously affect the population in these areas with fatal accidents and property damages due to the eroded and accumulated sand. By removing the flooded material Delta Minerals makes an important environmental contribution. It is the company's objective to be environmentally aware and socially responsible. A contribution of the future profits will be used to invest in local projects such as churches, medical care and schools. Thereby Delta Minerals will take concrete steps contributing to the development of these areas and their population.

Risks

Today there is not enough evidence to establish ore base calculations. All estimates of recoverable ore reserves are based on probabilities. The company's future development is, to a certain extent, dependent on the general economic climate, where the business cycle often is the determinant of demand for sand and minerals. Licensing issues with modified rules, but also a possible political or regional opposition to the company's operations could impact the company's ability to operate. The permitting process is complicated. The company also confers with local companies to take advantage of their particular conditions.

Contact

Delta Minerals AB, Box 68, SE-182 11 Danderyd, info@deltaminerals.se, www.deltaminerals.se

Hakan Gustafsson, Chairman, mobile +46 (0)70-268 00 35, hakan.gustafsson@deltaminerals.se

Thomas Lundgren, CEO, mobile +46 (0)70-397 25 24, thomas.lundgren@deltaminerals.se

Capensor Capital, financial advisors to Delta Minerals, ph +46 (0)8-400 208 20, info@capensor.se

Eminova FK, issuer agent, Box 5833, SE-102 48 Stockholm, ph +46 (0)8-684 21100, info@eminova.se

Detailed information about the issue, conditions and instructions (mainly in Swedish) is available at www.deltaminerals.se, www.eminova.se and www.aktietorget.se