



**NORDIC
MINING**

INTERIM REPORT

Per 31 March 2022



Minerals for a sustainable future

Nordic Mining ASA ("Nordic Mining" or the "Company") is a resource company with focus on high-end industrial minerals and metals. The Company's project portfolio is of high international standard and holds significant economic potential. The Company's assets are in the Nordic region.

Nordic Mining is undertaking a large-scale project development at Engebø on the west coast of Norway where the Company has rights and permits to a substantial eclogite deposit with rutile and garnet. Nordic Mining also holds 12.0% of the shares in Keliber Oy, which is developing a lithium project in Finland to become the first European producer of battery grade lithium hydroxide.

In addition, Nordic Mining holds interests in other initiatives at various stages of development. This includes patented rights for a new technology for production of alumina and exploration of seabed minerals.

Nordic Mining is listed on Euronext Expand Oslo with ticker symbol "NOM".

Group interim report for the quarter ended 31 March 2022

Summary of important events in the first quarter of 2022 and year to date:

CORPORATE

New Commercial Director appointed to strengthen Group Management

In March, Nordic Mining appointed Maurice Kok as new Commercial Director effective from 1 August 2022. Mr. Kok has broad and international experience from sales and marketing of alloys and mineral products from Elkem, TiZir/Eramet and Kalbar Operations. In addition to sales management, Mr. Kok has specific experience from the mineral sands industry as well as business development and has been involved with mining projects at an early stage ahead of operations commencing.

Milestone first part of project financing for the Engebø Rutile and Garnet Project completed

In January 2022, Nordic Mining completed the first part of the project financing equity for the Engebø Rutile and Garnet Project of NOK 132.5 million from a group of local Sunnfjord investors led by two of the Engineering, Procurement and Construction ("EPC") partners for the Engebø Project.

The equity contribution is structured as a loan with conversion rights to shares in Nordic Mining ASA, with certain obligations on specific terms and milestones as the project development progresses. The convertible loan will upon conversion contribute as part of the equity for the project financing package for the Engebø Project.

The loan was resolved by the Extraordinary General Meeting ("EGM") on 4 February 2022.

The Group is progressing its assessment of several financing structures, with discussion on possible participation in the project financing from selected strategic investors in final stages. The remaining project financing package is expected to be in excess of USD 250 million comprising debt, equity and potential hybrid capital or royalty. Financial close is targeted before end H1 2022, pending continued constructive progress on various workstreams and receptive capital market conditions.

ENGEBØ RUTILE AND GARNET PROJECT (100% ownership)

Ministry of Trade, Industry and Fisheries confirms Engebø operating license

In May 2022, the Ministry of Trade, Industry and Fisheries ("MTIF") confirmed that Nordic Mining's operating license is maintained as granted with full rights to the Engebø deposit, supporting the resolution from the Directorate of Mining. The decision from the MTIF is final and cannot be appealed. The resolution from the Ministry includes requirements related to operations and environment:

- Maximize resource utilization and minimize waste based on Best Available Technologies
- Mine plans for underground to be approved by Directorate of Mining latest one month before start of underground operations and optimizing possible backfill
- Utilize a fossil free mining fleet based on available technology and implement goals for reduction of climate gas and waste

The requirements are to a large extent already part of the current permits and operational plans for Engebø.

Nordic Mining starts early construction work at Engebø

In April 2022, Nordic Mining started early construction works at Engebø after closing of the acquisition of the main properties at Engebø. The early works includes preparing the properties for construction, continuation of detailed project planning and process for procurement of critical process equipment, and commencement of groundworks on process plant area and preparatory works for tunnelling. The early works is expected to secure important project developments that enables optimizations of the construction schedule. In preparation for start of construction Nordic Mining has undertaken initial environmental monitoring, which will continue throughout construction and will form the basis for a new environmental baseline for start of operations.

Superior carbon footprint at Engebø

In March 2022 SRK Consulting (UK) Ltd, conducted an analysis to compare the Green House Gas ("GHG") emissions associated with the Engebø Project, with existing operators in the global titanium value-chain. The comparative study shows that Engebø Rutile and Garnet has the lowest carbon footprint compared to five major operators. The annual GHG footprint of the Engebø project is 3,058 tons of CO₂e with an estimated carbon intensity of 0.01 tCO₂e per ton finished product, which is one to two orders of magnitude lower than comparable operators.

Permit for groundworks at Engebø approved by Sunnfjord Municipality

In February 2022, Sunnfjord Municipality approved the building permit for all infrastructure groundworks for the Engebø Rutile and Garnet Project. The permit is fully in line with the UDFS and the EPC contracts.

The approved building permit by the municipality together with already approved demolition permit for existing buildings and agreement with county road authority, completes the formal requirements for starting construction work at Engebø. Permits for general and process plant buildings will be applied for in due course according to finalization of detail engineering by the EPCs.

Taking action to ensure sustainability at Engebø

Nordic Mining is taking a proactive approach to ensure that the Engebø project will be developed based on high standards for sustainability. A comprehensive Environmental and Social Management System ("ESMS") is currently being implemented for the Project. Important management plans that have been finalized in Q1 2022 are Extractive Waste Management plan, Construction Environmental Management Plan ("CEMP") and a Conceptual Closure and Rehabilitation Plan. Further, a Biodiversity Action Plan is being developed together with DNV. The Group has set an ambitious goal of biodiversity net-gain for the Engebø Project over life of mine. The plan includes measures to continuously work to reduce, restore, and compensate biodiversity loss at the mine site.

An environmental monitoring program using state of the art technology has been put in place at Engebø to monitor environmental effects from construction activities. The aim is to supervise potential effects related to airborne dust, vibrations and noise, and risk for emissions to fjord surface water and freshwater bodies.

Tightness in supply for high-grade feedstock - significantly increase in rutile prices through Q1 2022

Record high titanium dioxide demand for pigment production continues to exacerbate tight supply of rutile feedstocks, with prices expected to rise further in 2022. The tightness in supply for high-grade feedstock is expected to continue driven by uncertainties over supply from major producers, including Iluka, Tronox and Rio Tinto, and no new major sources of supply likely to impact the market. Declining ore grades at Richards Bay Minerals in South Africa require investment from Rio Tinto, but protest and violence at the site in recent years have disrupted production, including over the summer, and the expansion is on hold. Major western pigment producers have reported that a lack of titanium feedstock is limiting their production rates and inhibiting their ability to meet demand from their end customers. Rutile prices increased significantly through the first quarter, with reported rutile prices in excess of USD 1,500/mt FOB in March 2022.

Nordic Mining progressing negotiations with potential partners for long-term offtake of garnet. Product samples has been supplied for testing, with results that compare well with industrial reference qualities.

KELIBER LITHIUM PROJECT (12.0% ownership)

Keliber's Lithium Project value increases by 220% to EUR 1.2 billion

In March 2022, Keliber released the Updated Definitive Feasibility Study ("UDFS") for the Lithium Project in Central Ostrobothnia, Finland. The UDFS to produce battery-grade lithium hydroxide ("LiOH") confirmed a solid financial and technical feasibility of Keliber's project, with significant improvements in the key financials compared to the Definitive Feasibility Study from 2019.

Key economic figures from Keliber's UDFS (numbers in brackets relate to the comparable numbers from DFS from 2019)¹:

- Post-tax NPV@8% of EUR 1,228 million (EUR 384 million)
- Post-tax IRR 31% (24%)
- Payback period (from start of production) 3.5 years (4.1 years)

Nordic Mining owns 12.0% of the shares in Keliber. See Financial Performance and note 3 on fair value assessment of the investment in Keliber as per 31 March 2022.

Keliber's lithium hydroxide will have a smaller CO2 footprint than majority of competitors' products

In March 2022 Keliber released the results of two emission analysis undertaken by the consulting company Wood Mackenzie based on analysis of seven existing or planned global lithium chemicals production chains and a Life

¹ Please see page 18 for description of Alternative Performance Measures ("APM") used for Engebø Rutile and Garnet and Keliber.

Cycle Assessment ("LCA") undertaken by Vahanen Environment Oy, a Finnish environmental consultant. The comparative study indicates that Keliber's lithium hydroxide will have a smaller carbon footprint than most of the competitors' products, with the lowest emission intensity of 4.38 tonnes of CO₂/produced tonne of lithium hydroxide monohydrate (LiOH·H₂O). Keliber's total carbon footprint measured in the LCA is 10.0 t CO₂-eq/produced tonne of LiOH·H₂O. The LCA is according to Keliber a cradle-to-gate analysis that covers all production stages from the mine to a finished product leaving the lithium chemical plant. The production from Keliber is planned to begin in 2024.

Sibanye-Stillwater closes last EUR 5 million tranche of equity investment in Keliber

In February 2021 Keliber Oy and Sibanye-Stillwater Limited ("SSW") entered into agreement for an initial phased equity investment of EUR 30 million. In line with the agreement the final tranche of SSWs initial investment was closed on 14 March 2022 with SSW subscribing for 125,000 shares for EUR 5 million.

Nordic Mining owns 12% of the shares in Keliber after SSWs last tranche of the initial phased EUR 30 million investment.

NORDIC OCEAN RESOURCES (NORA) (100% ownership)

Nordic Mining has taken pioneering initiatives related to seabed mineral in Norway through the subsidiary Nordic Ocean Resources ("NORA") giving the Company valuable knowledge for business development. NORA participated in the MarMine project on marine mineral resources coordinated by the Norwegian University of Science and Technology ("NTNU"). In 2019, the new Seabed Minerals Act came into force as result of systematic mapping of seabed minerals by the Norwegian Petroleum Directorate.

Nordic Mining have in light of the positive developments on the regulation of seabed minerals, increased the efforts to commercializing the Groups understanding and positioning on seabed minerals developed through the pioneering initiatives of NORA.

FINANCIAL PERFORMANCE IN Q1

Unless other information is given, numbers in brackets for comparison relate to the corresponding period in 2021.

The Group is in preparation for construction of the Engebø project and has, so far, no sales revenues from operations. Reported operating loss for the first quarter was NOK -17.7 million (NOK -15.9 million). The operating result reflect the ongoing pre-construction activities in preparation for construction of Engebø.

In March 2022, Keliber released the UDFS for their lithium project. The updated study confirmed, according to Keliber, a solid financial and technical feasibility, with significant improvements in the key financials compared to the Definitive Feasibility Study ("DFS") from 2019. The Group has based on Keliber's UDFS assessed the fair value of Keliber to EUR 137 per share as per first quarter of 2022, recognizing a fair value gain on the investment of NOK 206.0 million in the quarter. The fair value assessment considers available information related to the developments in Keliber, the lithium project, and lithium development equities. Please see note 3 for further information. Nordic Mining's carrying amount for the investment was NOK 396.5 million as of 31 March 2022 (31.12.2021: NOK 190.5 million). In the first quarter of 2021 the Group recognized a fair value loss of NOK 5.5 million on the NOK 132.5 million convertible loan from February. Please see note 4 for further information.

Reported net profit in the quarter was NOK 176.6 million, driven by the fair value gain on the investment in Keliber (Q1 2021: loss NOK -20.9 million).

Net cash outflow from operating activities was NOK -13.7 million in the quarter (NOK -10.0 million), reflecting the ongoing work to prepare for construction. Net cash flow from the Group's investment activities in the first quarter was NOK -0.1 million (NOK -0.1 million). Net cash inflow from financing activities in the first quarter was NOK 126.4 million resulting from the convertible loan in February.

The Group's cash and cash equivalents as of 31 March 2022 was NOK 32.2 million. In addition, the Group had NOK 112.5 million on Escrow account from convertible loan. Please see note 4 for further information. The Group remains fully funded for the planned early construction work at Engebø, which is expected to last up to the completion of the remaining project financing package targeted before end H1 2022.

Nordic Mining's total assets as of 31 March 2022 was NOK 574.4 million (31.12.2021: NOK 255.3 million), and total equity was NOK 422.3million (31.12.2021: NOK 254.7 million).

The Group will require long-term financing to develop its projects towards production. There is no assurance that the Group will be successful in obtaining the required financing, however the Company expects that the significant economic potential of the Engebø flagship project and the ownership in the Keliber lithium project, combined with a solid balance sheet, will provide a solid foundation for financing going forward.

For further information relating to the Company's risk assessments, reference is made to the annual report for 2021 which is available on the Company's webpage www.nordicmining.com.

MAIN PROJECTS AND ACTIVITIES

Engebø rutile and garnet project (100% ownership)

World-class mineral resource developed according to world-class standards

The Engebø deposit is one of the largest unexploited rutile deposits in the world and has among the highest grades of rutile (TiO₂) compared to existing producers and other projects under development. The deposit also contains significant quantities of high-quality garnet. The scale of the mineral resource secures long-term operations.

The project will be developed in accordance with high international standards for environment, health, and safety. Regional hydroelectric power will supply the process plant with renewable energy. The deposit has a favorable location next to a deep-water quay and with efficient shipping/logistics to European and overseas markets. This limits the project's physical footprint and reduces environmental effects.

The Engebø deposit will be developed as a dual mineral operation with production and sale of high-quality rutile and garnet. The business concept provides efficient resource utilization, risk reduction, attractive and robust economics, and valuable future expansion opportunities.

Updated Definitive Feasibility Study reconfirms Engebø as a world class mineral project

In May 2021 Nordic Mining ASA completed the Updated Definitive Feasibility study ("UDFS") for the Engebø Rutile and Garnet project. The UDFS is an update of the DFS which was completed in January 2020. The updated study confirmed Engebø as a sustainable and economically robust mineral project with reduced financing risk, improved financial resilience, and attractive financial returns. The complete summary report is available at the corporate website, and main improvements and risk-reducing measures in the UDFS are:

- Reduced environmental footprint; 99% reduction in consumption of approved chemicals in the production process (compared with the 2016 environmental permit), around 80% reduction of CO₂ emissions and approximately 40% reduction of the process plant facilities footprint compared with the DFS
- Contract and execution strategy based on EPC partnerships and early vendor engagement
- Stick-build construction methodology and improved ore flow logistics
- Reduced initial investment needed to realize the project from USD 311 million to USD 218 million, maintaining a Run-of-Mine ("ROM") of 1.5 Mtpa
- Reduced process operating cost by more than 25% following from flowsheet optimizations, including reduction in energy costs from use of electrical dryers for drying of minerals
- Improved mining design for open pit and underground focusing on practical and cost-effective operations. Mining schedule in open pit has been optimized for the initial years and the underground mining schedule targets higher grades and a simplified infrastructure
- Reduced market risk based on post-pandemic market forecasts for rutile and garnet, retaining flexibility to increase garnet production in line with increasing demand
- Robust project economics with considerable reductions in market, financing, and execution risks

Key economic figures²:

- Pre-tax NPV@8% of USD 355 million

² Please see page 18 for description of Alternative Performance Measures ("APM") used for Engebø Rutile and Garnet and Keliber.

- Pre-tax IRR of 22.5%
- Post-tax NPV@8% of USD 260 million
- Post-tax IRR of 19.8%
- High-margin cash flow and short pay-back support bankability:
 - Initial capital investment of USD 218 million
 - Life of Mine EBITDA of USD 2.1 billion, corresponding to an EBITDA-margin of 68%
 - Life of Mine Operating Cash Flow of USD 1.7 billion
 - Free Cash Flow the first 10 years of full operations of USD 51 million per annum
 - Pay-back period of 4.4 years from start of production
- Optimized schedule and dual mineral production provide competitive strength:
 - Outcropping and geotechnically stable orebody
 - Low stripping ratio (waste to ore ratio) of 0.6 in open pit
 - High-grade rutile and garnet
 - Short distance and gravity supported ore transportation minimize transportation
 - 1st quartile revenue-to-cash cost position for rutile
- Optimized mining plan and scheduling support an initial 39-year Life of Mine:
 - 15 years of open pit mining and high-grade processing, and stockpiling of medium/low-grade ore
 - 19 years underground production
 - 6 years production based on stockpiled ore
 - Extension of Life of Mine expected based on substantial inferred resources
- All main permits granted:
 - Extraction permits for the whole deposit
 - Operational license for open pit and underground mining
 - Landowner agreements for open pit, infrastructure, and process plant areas
 - Detailed zoning plan
 - Environmental permit
- High environmental and social standards in accordance with IFC Performance Standards and relevant Equator Principles

Early construction work started at Engebø

In April 2022, Nordic Mining started early construction works at Engebø after closing of the acquisition of the main properties at Engebø. The early works includes preparing the properties for construction, continuation of detailed project planning and process for procurement of critical process equipment, and commencement of groundworks on process plant area and preparatory works for tunnelling. The early works is expected secures important project developments that enables optimizations of the construction schedule. In preparation for start of construction Nordic Mining has undertaken initial environmental monitoring, which will continue throughout construction and will form the basis for a new environmental baseline for start of operations.

Engebø carbon footprint superior to existing operators in the global titanium value-chain

In March 2022 SRK Consulting (UK) Ltd, conducted an analysis to compare the Green House Gas (“GHG”) emissions associated with the Engebø Project, with existing operators in the global titanium value-chain. The comparative study shows that Engebø Rutile and Garnet has the lowest carbon footprint compared to five major operators. The annual GHG footprint of the Engebø project is 3,058 tons of CO₂e with an estimated carbon intensity of 0.01 tCO₂e per ton finished product, which is one to two orders of magnitude lower than comparable

operators. The study was based on available information published by the respective companies, predominantly in annual reports³. The comparative study was based on reported Scope 1 and Scope 2 emissions⁴.

To further assess and benchmark the environmental performance and global warming potential of the Engebø rutile product a Life Cycle Assessment ("LCA") is under development together with UK based Consultant, Minviro. Results from the LCA will be published during Q2 2022.

Taking action to ensure sustainability at Engebø

Nordic Mining is taking a proactive approach to ensure that the Engebø project will be developed based on high standards for sustainability. A comprehensive Environmental and Social Management System ("ESMS") is currently being implemented for the Project. The aim is to ensure that the project adheres to permits and regulation and best international practices⁵ in construction, operation, and closure.

An ambitious goal of biodiversity net-gain has been adopted for the Engebø Project for the life of mine. This means that we will continuously work to reduce, restore, and compensate biodiversity loss at the mine site. Where we are not able to restore 100 percent, we will look at increasing biodiversity in the region. A Biodiversity Action Plan is under development in collaboration with DNV.

In order to assure that the construction phase meet our standards on sustainability, a Construction Environmental Management Plan ("CEMP") has been developed to ensure adherence to environmental obligations for owners' team, contractors, and suppliers throughout the construction phase. Potential environmental risks are identified, and action plans are prepared to reduce the risk of environmental accidents and to enhance performance.

An Environmental Monitoring Program using state of the art technology has been put in place at Engebø to monitor environmental effects from construction activities. The aim is to supervise potential effects related to airborne dust, vibrations and noise, and risk for emissions to fjord surface water and freshwater bodies.

A Waste Management Plan has been developed for extractive waste handling. The plan builds on the EU's Best Available Techniques for extractive waste management⁶. The aim is to ensure that proper measures and procedures are in place to reduce effects on the environment, and any resultant risks to human health related to our waste rock and tailings facility. The plan also addresses measures to reduce and utilize waste streams.

A Conceptual Rehabilitation and Closure plan was completed early 2022 and outlines a management system to ensure that we can successfully rehabilitate the mine site at closure. In line with our biodiversity goal, we aim for a high degree of restoration to return the area to nature and enable meaningful use for the local population post-closure.

Lump sum EPC contracts signed for over 75% of construction cost

The execution strategy for the Project was as part of the UDFS revised to enable an efficient and compact stick build methodology. By bundling around 80 equipment packages into 4 main EPC contracts, as well as free issued items to the EPC contractors, the execution structure has been simplified. In second half of 2021 and year-to-date 2022, Nordic Rutile has signed lump sum contracts for the Engineering, Procurement and Construction ("EPC") for the Engebø Rutile and Garnet project with selected EPC partners Sunnfjord Industripartner AS, Åsen & Øvrelid AS and Nordic Bulk AS and Normatic AS. The four EPC contracts comprise lump sum price for the agreed scope of work agreed in the EPC contracts and cover around 75% of the total UDFS plant and mine capital expenditure of USD 203.4 million.

Engebø operating license completes the main regulatory permits

In May 2022, the Ministry of Trade, Industry and Fisheries ("MTIF") resolved that Nordic Mining's operating license is maintained as granted with full rights to the Engebø deposit, confirming the resolution from the Directorate of Mining. The decision from MTIF is final and cannot be appealed. The operating license is granted

³ GHG is reported in tons of CO2 equivalent (tCO2e), meaning emission of non- CO2 GHGs have been "normalized" to CO2 using their 100-year global warming potentials.

⁴ Scope 1 refers to direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the reporting company.

⁵ In accordance with the IFC Performance Standards.

⁶ Best Available Techniques (BAT) Reference Document for the Management of Waste from Extractive Industries in accordance with Directive 2006/21/EC.

for the life of mine of the project which includes an open pit and underground phase, however, with a possibility for revision after 10 years. The license regulates operational scope, methodology and procedures to secure safe and efficient production of the mineral resources and follows the strict regulation practice for Norwegian mining operations which implies high standards for environment, health, and safety. The operating license completes the main regulatory framework required for the project, including extraction permits, approved zoning plan for the mining and processing areas and the environmental permit.

In June 2020, the Company submitted, after extensive test work proving that the consumption of chemicals could be significantly reduced, an application to the Environment Agency for substitution of chemicals from the original environmental permit of 2015. In January 2021, the Agency granted the revised environmental permit, commenting that the significant reduction in chemical consumption will have lower impact on the environment than the previous planned consumption. The decision was confirmed by the Ministry of Climate and Environment in November 2021 concluding that the complaints received in relation to the revised discharge permit do not provide any basis to revoke or change the permit. The decision from the Ministry of Climate and Environment is final and cannot be appealed.

In February 2022, Sunnfjord Municipality approved the building permit for all infrastructure groundworks for the Engebø Project. The permit is in line with the UDFS and the EPC contracts. The building permit was confirmed by the County Governor in April 2022 following an appeals process. The finally approved building permit by the County Governor with already approved demolition permit for existing buildings and agreement with county road authority, completes the formal requirements for starting construction work at Engebø. Permits for general and process plant buildings will be applied for in due course according to finalization of detail engineering by the EPC in line with the construction plan.

Positive commercial outlook for rutile and garnet

Europe has a significant supply deficit of titanium feedstock, including rutile, and no garnet production. Supply from Engebø represent a substantial opportunity for logistical optimization. The long-term fundamentals are strong and support a new source of supply in Europe.

Record high titanium dioxide demand for pigment production continues to exacerbate tight supply of rutile feedstocks. Rutile prices increased significantly through the first quarter 2020, with rutile reported rutile prices in excess of USD 1,500/mt FOB per March 2022. The supply of high-grade feedstock is expected to remain constrained with no new major sources of supply and uncertainties over supply from major producers, including Iluka, Tronox and Rio Tinto. Major western pigment producers have reported that a lack of titanium feedstock is limiting their production rates and inhibiting their ability to meet demand from their end customers.

In July 2021 Nordic Mining signed term sheets for offtake of rutile with a reputable Japanese trading house and Kronos (US), INC., a globally leading pigment producer and, which subject to the entering into of the final offtake agreement, will secure sales for all the annual production of rutile for the first five years of production. The term sheet with the Japanese trading house builds on the Heads of Agreement signed in January 2019 for offtake of rutile and participation in the financing for the Engebø project. The parties will start the process of finalizing the final offtake agreement, which in respect of the Japanese trading house will be negotiated in parallel with negotiating their participation in the financing of the Engebø project.

The main applications for garnet are in waterjet cutting and sand blasting. Prices vary depending on quality and application. The garnet demand in 2020 was impacted by reduced economic activity and lower oil price. Selling prices in the main markets in Europe and USA have to a large extent been reported to remain unaffected, despite demand having contracted with an estimated 20–25%.

There is currently no production of garnet in Europe and the global supply of high-quality garnet for high-end applications has over the last years been short of the demand. The existing main producers are in Australia, China, India, and South-Africa. Regulatory measures introduced by the Indian government in 2016 continue to affect a substantial part of the Indian garnet production. It is uncertain when and to what extent Indian production will re-enter the market. In the USA, domestic production is significantly short of the demand.

Nordic Mining is progressing negotiations with potential partners for long-term offtake of garnet. Product samples has been supplied for testing, with results that compare well with industrial reference qualities.

Keliber Oy – Lithium Hydroxide Project (12.0% ownership)

Keliber's Lithium Project value increases over 220% to EUR 1.2 billion in Updated Definitive Feasibility Study

Keliber is progressing its lithium project in Finland towards realization and targets to be the first European producer of battery-grade lithium hydroxide. Market outlook for batteries is positive, mainly driven by the ongoing transition to greener solutions for transportation and renewable energy production.

In March 2022, Keliber released the Updated Definitive Feasibility Study ("UDFS") for the project. The updated study confirmed, according to Keliber, a solid financial and technical feasibility, with significant improvements in the key financials compared to the Definitive Feasibility Study ("DFS") from 2019.

Key project figures from Keliber's UDFS (numbers in brackets relate to the comparable numbers from DFS from 2019)⁷:

- Post-tax NPV@8% of EUR 1,228 million (EUR 384 million)
- Post-tax IRR 31% (24%)
- Payback period (from start of production) 3.5 years (4.1 years)
- Life of Mine 16 years (13 years)
- Total Ore Reserves 12.3 Mt (7.5 Mt)
- Production battery-grade lithium hydroxide (own ore) 15,000 t/pa (12,500 t/pa)

For the UDFS, Keliber used a price forecast for the battery-grade lithium hydroxide prepared by Roskill - Wood Mackenzie, with the average LiOH price used in their financial evaluation of USD 24,936/t.

On a quarterly basis, Keliber presents progress reports to stakeholders. The reports and news releases are available at www.keliber.fi/en/.

Leading international mining company Sibanye Stillwater Limited increases ownership in Keliber

In February 2021, Keliber entered into an investment agreement with the leading international mining company Sibanye Stillwater Limited ("SSW") for an initial phased equity investment of EUR 30 million for approximately 30% shareholding in Keliber. In March 2021 the first tranche of the initial investment was closed with SSW subscribing for shares for EUR 15 million, and at the same time a share issue of up to 250,000 shares was opened to existing shareholders of Keliber. In the issue Nordic Mining was allocated in total 58,975 shares at an issue price of EUR 40 per share corresponding to approximately 23.6% of the share issue, to retain an ownership of approximately 14.3%. In line with the agreement with SSW the second tranche their initial investment of EUR 10 million was closed in September 2021, making SSW the largest shareholder in Keliber with a shareholding of 26.7%. Following the closing of SSW second tranche in September 2021, Nordic Mining ownership in Keliber was diluted from 14.3% to 12.7%, which was the ownership as per year end 2021. In March 2022, the Group's ownership was further diluted to 12.0% as result of closing of the third and final tranche of SSWs initial phased investment of EUR 5 million. Sibanye-Stillwater has option to take majority interest 50%+1 shares in Keliber, which will be an important consideration for the Group's strategy for the investment going forward.

Reserves of Keliber's largest lithium deposit increased by 30%

Keliber announced on 15 September 2021 an update of the company's ore reserve estimate, with an effective date as of 31 August 2021. The update is based on the revised mineral resource estimate, published in May 2021. Keliber's total proven and probable ore reserves have increased to 12.30 million tonnes, representing a growth of 32 percent, compared to the previous estimate published in December 2019.

The total Measured and Indicated Mineral Resources of Keliber now total 13.69 million tonnes (previously 11.77). Including the Inferred Mineral Resources, the total Mineral Resources are 15.62 million tonnes (previously 14.19). The average Li₂O grade of the Keliber's combined Mineral Resources is 1.05%.

Keliber's Mineral Resource estimates comply with the JORC 2012 code, and are reported at a cut-off grade of 0.50% Li₂O.

⁷ Please see page 18 for description of Alternative Performance Measures ("APM") used for Engebø Rutile and Garnet and Keliber.

Main permits in place for start of construction

Environmental permit applications for all main activities have been submitted. The Environmental Impact Assessment ("EIA") report for the concentrator and main mining areas was submitted to the authorities in November 2020. In June 2021 Keliber submitted applications for environmental and water management permits for the Rapasaari mine and the Päiväneva concentrator, following the Vaasa Administrative Court rejection of the appeals to the permits. The environmental permit application for the Kokkola chemical plant was submitted in December 2020. In June 2021 the ELY Centre for South Ostrobothnia issued a reasoned conclusion on the EIA report for the Kokkola chemical plant stating that the plant does not have a significant environmental impact. In March 2021, Keliber was granted a mining permit for the Rapasaari mining area by the Finnish Safety and Chemicals Agency ("Tukes"). The mining permit was applied for the mining of lithium ore from the Rapasaari deposit and for the placement of a concentrator plant in the nearby situated Päiväneva area. The Rapasaari deposit is located only 2 km southeast of Keliber's Syväjärvi deposit, for which the mining permit became legally valid in January 2019. These two deposits comprise 82% of Keliber's current ore reserves.

Strategic assets and initiatives

Alumina technology development

Nordic Mining has since 2009 been engaged in development of a new technology for alumina production as a sustainable alternative to the current production. The technology has successfully been developed together with Institute for Energy Technology ("IFE") and has been patented in several countries including Norway, Russia, USA, Canada and with the European Patent Office. In June 2019, the Company announced that the EU's Horizon 2020 program has granted EUR 5.9 million for the AISiCal project to further develop the patented technology. AISiCal is an ambitious research and innovation project to further research, develop and de-risk the technology. The technology, named the Aranda-Mastin technology ("AM technology"), is a low waste and low carbon footprint alternative, to the current alumina production which is mainly based on bauxite resources refined through the Bayer process. Bauxite mining and processing is known to have substantial environmental impact due to production of toxic waste, substantial carbon emissions and extensive land use. The new technology is an innovative alternative based on alumina/calcium-rich rocks such as anorthosite. Anorthosite is an alumina-rich feldspar rock with approximately 30% alumina. With the new technology, anorthosite can be close to fully utilized to produce alumina together with silica and calcium carbonate by-products. The technology includes a carbon consumption process-step allowing for a low carbon footprint.

The production process is based on leaching with hydrochloric acid at moderate temperature and pressure. Aluminum is extracted through a sparging process and subsequently calcined to form alumina. Precipitated calcium carbonate ("PCC") is produced as a by-product by integrating CO₂ utilization in the process. Silica forms a residue in the leaching process and is also extracted as a by-product. PCC is a commodity used as filler in paper, plastics and paint, and silica is used as filler in tires and plastics, and in the production of cement. The process can potentially consume close to 500,000 tonnes of CO₂ per million tonne of alumina which corresponds to the emission from a medium sized oil and gas platform. The CO₂ can either be stored safely or utilized as part of the production of PCC. The process aims at being waste free since nearly all the components of the anorthosite are expected to be saleable products.

With the granting of the AISiCal project an ambitious 4-year work plan is in place to further develop the patented technology. The AISiCal Project consortium comprise of 16 international partners from 9 countries. The aim of the project is to further research and de-risk the technology and assess the technical and economic feasibility. The project has a goal of developing the technology towards a zero-carbon emission production process by including integrated CO₂ capture. Nordic Mining is actively participating in the project, leading one of the work packages focused on raw material sources and leaching optimization.

Seabed minerals

Nordic Mining has taken pioneering initiatives related to seabed mineral exploration and knowledge building in Norway through the fully owned subsidiary Nordic Ocean Resources. Research assessments indicate an attractive potential for discovery of metallic ore deposits with possible significant economic values within Norway's exclusive economic zone.

Nordic Mining participated in the MarMine project on marine mineral resources which was concluded in 2020. The project was coordinated by the Norwegian University of Science and Technology. The Norwegian Research Council granted NOK 25 million to the project which had a strong industrial basis and participation, with an

exploration cruise including mineral sampling and assessments related to seabed mineral operations having been executed in selected areas along the Mid-Atlantic Ridge.

In 2019, the new Seabed Minerals Act came into force as result of systematic mapping of seabed minerals by the Norwegian Petroleum Directorate. Prior to opening for seabed mineral extraction, an environmental impact assessment must be carried out and in January 2021 the Ministry of Petroleum and Energy on sent out a proposal for an impact assessment program.

Nordic Mining have, in light of the positive developments on the regulation of seabed minerals, and increased focus on how the Norwegian mining industry can play an important role on seabed minerals to support the green transition, increased the efforts to commercializing the Groups understanding and positioning on seabed minerals developed through the pioneering initiatives of NORA.

Oslo, 9 May 2022
The Board of Directors of Nordic Mining ASA

CONSOLIDATED INCOME STATEMENT

		2022	2021	2021
		01.01-31.03	01.01-31.03	01.01-31.12
<i>(Amounts in NOK thousands)</i>	<i>Note</i>	Unaudited	Unaudited	Audited
Other income		-	188	188
Payroll and related costs		(4 380)	(4 208)	(16 220)
Depreciation and amortization		(33)	(38)	(138)
Other operating expenses		(13 312)	(11 829)	(44 504)
Operating profit/(loss)		(17 725)	(15 887)	(60 674)
Fair value gains/losses on investments	3	205 968	(4 943)	66 374
Fair value gains/losses on convertible loan	4	(5 477)	-	-
Financial income		13	63	127
Financial costs		(6 183)	(120)	(456)
Profit/(loss) before tax		176 596	(20 887)	5 371
Income tax		-	-	-
Profit/(loss) for the period		176 596	(20 887)	5 371
Earnings per share				
<i>(Amounts in NOK)</i>				
Basic earnings per share		0.77	(0.10)	0.02
Diluted earnings per share		0.76	(0.10)	0.02

STATEMENTS OF COMPREHENSIVE INCOME

	2022	2021	2021
	01.01-31.03	01.01-31.03	01.01-31.12
<i>(Amounts in NOK thousands)</i>	Unaudited	Unaudited	Audited
Net profit/(loss) for the period	176 596	(20 887)	5 371
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Changes in pension estimates	-	-	(100)
Other comprehensive income directly against equity	-	-	(100)
Total comprehensive income/(loss) for the period	176 596	(20 887)	5 271

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(Amounts in NOK thousands)</i>	Note	31.03.2022 Unaudited	31.12.2021 Audited
ASSETS			
Non-current assets			
Evaluation and exploration assets		28 916	28 800
Property, plant and equipment		200	200
Right-of-use assets		206	239
Financial investments	3	396 487	190 519
Total non-current assets		425 809	219 758
Current assets			
Trade and other receivables		3 954	3 444
Restricted cash	4	112 500	-
Cash and cash equivalents		32 152	32 086
Total current assets		148 606	35 530
Total assets		574 415	255 288
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		137 695	137 695
Share premium		313 699	313 699
Other paid-in capital		16 038	16 038
Retained losses		(41 951)	(218 547)
Other comprehensive income		(3 223)	(3 223)
Total equity		422 258	245 662
Non-current liabilities			
Lease liabilities		74	113
Pension liabilities		900	1 062
Total non-current liabilities		974	1 175
Current liabilities			
Trade payables		4 355	3 093
Convertible loan	4	137 977	-
Other current liabilities		8 852	5 358
Total current liabilities		151 184	8 451
Total liabilities		152 158	9 626
Total shareholders' equity and liabilities		574 415	255 288

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited

Attributed to equity holders of the parent						
<i>(Amounts in NOK thousands)</i>	Share capital	Share premium	Other-paid-in capital	Other comprehensive income	Accumulated losses	Total equity
Equity 1 January 2021	118 495	472 824	15 804	(3 124)	(439 711)	164 288
Profit/(loss) for the period	-	-	-	-	(20 887)	(20 887)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(20 887)	(20 887)
Share issue	19 200	60 800	-	-	-	80 000
Transaction costs	-	(4 006)	-	-	-	(4 006)
Share-based compensation	-	-	51	-	-	51
Equity 31 March 2021	137 695	529 618	15 855	(3 124)	(460 598)	219 446
Equity 1 January 2022	137 695	313 699	16 038	(3 223)	(218 547)	245 662
Profit/(loss) for the period	-	-	-	-	176 596	176 596
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	176 596	176 596
Equity 31 March 2022	137 695	313 699	16 038	(3 223)	(41 951)	422 258

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	2022	2021
	01.01-31.03	01.01-31.03
<i>(Amounts in NOK thousands)</i>	Note	Unaudited
	Unaudited	Unaudited
Operating activities:		
Net cash used in operating activities	(13 691)	(9 980)
Investing activities:		
Acquisition of licenses and properties	(116)	(112)
Financial investments	-	(16 332)
Sale of property, plant and equipment	-	363
Net investment in (-)/release of restricted cash	4 (112 500)	-
Net cash used in investing activities	(112 616)	(16 082)
Financing activities:		
Share issuance	-	80 000
Transaction costs, share issue	-	(4 006)
Net proceeds from borrowings, convertible loan	4 126 412	-
Payment of lease liabilities	(38)	(42)
Net cash from financing activities	126 374	75 952
Net change in cash and cash equivalents	66	49 890
Cash and cash equivalents at beginning of period	32 086	42 223
Cash and cash equivalents at end of period	32 152	92 113
Restricted cash at end of period	112 500	-
Restricted and unrestricted cash at end of period	144 652	92 113

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 March 22

Note 1 – ACCOUNTING PRINCIPLES

These interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". They do not include all the information required for full annual financial reporting and should be read in conjunction with the consolidated financial statements of Nordic Mining ASA and the Group for the year ended 31 December 2021.

This report was authorized for issue by the Board of Directors on 9 May 2022.

The accounting policies adopted are consistent with those followed in the preparation of the Company's and the Group's annual financial statements for the year ended 31 December 2021. Accounting policies regarding new convertible loan and derivatives in 2022 are described in note 4. New standards, amendments, and interpretations to existing standards effective from 1 January 2022 did not have any significant impact on the financial statements.

Note 2 – SEGMENTS

The Group presents segments based on of the Group's mineral projects. The only reportable segment of the Group is the Titanium and Garnet segment. These are the minerals which can be produced from the mineral deposit at Engebø. The zoning plan and the discharge permit for the project are approved and final, without possibility for appeals, and the operating license for the project was granted in June 2020. The Definitive Feasibility Study was presented in January 2020 and an Updated Feasibility Study was presented in May 2021.

For further information relating to the Company's risk assessments, reference is made to the annual report for 2021 which is available on the Company's webpage www.nordicmining.com.

Note 3 - FINANCIAL INVESTMENTS

Keliber Oy

The Group's only financial investment is the holding of shares in the Finnish mining company Keliber Oy. The investment is measured at Fair Value Through Profit and Loss under IFRS 9 ("FVPL Method"). The valuation as per 31 March 2022 has been based on level 3 inputs in the fair value hierarchy.

2022:

In March 2022, Keliber released the UDFS for its project to produce battery-grade lithium hydroxide ("LiOH"), The study confirmed a solid financial and technical feasibility of Keliber's project, with an increase in the in the project's post-tax NPV to EUR 1.2 billion up from EUR 384 million in the DFS from 2018. Following the release of the UDFS, the Group has assessed the fair value of Keliber to EUR 137 per share as per end of Q1 2022, corresponding to NOK 396.5 million, up from EUR 64 per share as per year end 2021. The Group recognized a fair value gain of NOK 206.0 million on the investment in the first quarter of 2022 (Q1 2021: loss NOK -4.9 million).

The fair value assessment is based on comparable valuation analysis using industry practice P/NAV and EV/Resource multiples from a peer-group of lithium developers at PFS/DFS levels at similar levels of commercial development and risk profiles as Keliber's lithium project. The multiples are modified to account for lack of marketability of shares in Keliber. Net Asset Value ("NAV") is based on the post-tax NPV of expected future cash flows from Keliber's UDFS. The fair value indications from the P/NAV and EV/Resource multiples are averaged to give the final fair value measurement. The assessment considers all available information related to the developments in Keliber, the lithium project, and lithium development equities as described above.

Significant unobservable input	Estimate of the input	Sensitivity of the fair value measurement to input
P/NAV multiple, Peers	0.4x	Increase (or decrease) of P/NAV multiple by 10 percentage point would change the fair value by around NOK 61 million.
EV/Resources multiple, Peers (US\$/Kilotonne Resource LCE)	0.4x	Increase (or decrease) in EV/Resource multiple by 10 percentage point would change the fair value by around NOK 18 million.

The assessment is made from the perspective of a hypothetical informed market participant, as required by IFRS 13, Fair Value Measurement, and may differ from the Group's own internal assessment. Expected future cash

flows used in discounted cash flow models are inherently uncertain and could materially change over time, i.e., from changes in projected capital expenditure, commodity prices, operating costs, exchange rates and discount rates.

2021:

In February 2021 Keliber Oy and leading international mining company Sibanye-Stillwater Limited announced that they had entered into an investment agreement for an initial phased equity investment of EUR 30 million for approximately 30% shareholding in Keliber at a share price of EUR 40 per share. In line with the agreement the final tranche of SSWs initial investment was closed on 14 March 2022 with SSW subscribing for 125,000 shares for EUR 5 million. The Group assessed the fair value of Keliber to EUR 64 per share at year end 2021, corresponding to NOK 190.5 million.

Note 4 - CONVERTIBLE LOAN, DERIVATIVES AND RESTRICTED CASH

In January 2022, Nordic Mining entered into a NOK 132.5 million 5% interest bearing convertible loan in favor of Fjordavegen Holding AS, a local investor group led by two of the EPC partners for the Engebø project. This transaction is the first step in the project financing of the Engebø project. The convertible loan will upon conversion contribute as part of the equity for the project financing package.

The loan will be released in tranches upon agreed milestones, at the decision of Nordic Mining. Per month end 31 March 2022, NOK 20 million of the loan had been drawn down, with the remaining NOK 112.5 million placed on a restricted Escrow account.

The lenders may, and is contractually obliged to, convert all tranches from the loan, together with accrued interests, into shares in Nordic Mining upon a share issue in Nordic Mining in relation to final investment decision (or delay of final investment decision) for the Engebø Rutile and Garnet Project, however, at latest 1 August 2023. The conversion price will as a starting point be NOK 3.355 per share, however, shall be the lowest of NOK 3.355 and the subscription price in a subsequent share issue in Nordic Mining in relation to final investment decision/delay of final investment decision, or if no such share issue occurs, the lowest of NOK 3.355 and the volume-weighted average trading price the Nordic Mining's share for the last 20 trading days prior to 30 June 2023.

The convertible loan is measured at fair value with changes in fair value recognized in the income statement. The Group has assessed at quarter end Q1 2022 the fair value of the convertible loan to NOK 138.0 million and the recognized a fair value loss of NOK 5.5 million in the first quarter of 2022. The valuation as per 31 March 2022 has been based on level 3 inputs in the fair value hierarchy.

In April 2022, Nordic Mining has drawn down additional NOK 90 million from the loan.

Note 5 – EVENTS AFTER BALANCE SHEET DATE

In April 2022 Nordic Mining has, through its wholly owned subsidiary Nordic Rutile AS, exercised the agreements with landowners to acquire the main properties at Engebø, which includes immediate access to the process plant area. The Group has started early construction works at Engebø, which includes preparing the properties for construction, continuation of detailed project planning and process for procurement of critical process equipment, and commencement of groundworks on process plant area and preparatory works for tunnelling. The early works secures important project developments that enables optimizations of the construction schedule and is expected to last up to the completion of the remaining project financing.

In May 2022, MTIF confirmed that Nordic Mining's operating license is maintained as granted with full rights to the Engebø deposit, supporting the resolution from the Directorate of Mining. The decision is final and cannot be appealed.

Definitions

Alternative Performance Measures

Nordic Mining's financial information is prepared in accordance with International Financial Reporting standards ("IFRS"). In addition, the Group use selected Alternative Performance Measures ("APMs") intended to enhance the understanding and comparability of the project economics of the Engebø Rutile and Garnet Project and Keliber Project toward peers. Nordic Mining's experience is that these APMs are used by analysts, investors, and other parties. The Alternative Performance Measures presented may be determined or calculated differently by other companies.

The main APMs used are the following:

- EBITDA: Projected revenues minus projected operating costs and royalties
- EBITDA-margin: Projected EBITDA divided by total projected revenues
- Free Cash Flow (Unlevered): Projected operating cash flow minus net cash flow from investing activities
- IRR: Projected Internal Rate of Return ("IRR") derived from the Free Cash Flow
- NPV: Net Present Value ("NPV") of the Free Cash Flow discounted using a real discount rate of 8%
- Operating Cash Flow (Unlevered): Projected EBITDA minus projected corporate income tax and changes in net operating working capital