



Nordic Mining ASA (EN Expand:NOM) - Interim report per 30 September 2022

Please find enclosed Nordic Mining's interim report for the third quarter 2022 and extended company presentation. The extended company presentation and interim report will be presented digitally today, Tuesday 8 November 2022 at 10.00 (CET). The presentation and Q&A session will be held in English and transferred via webcast. You will have the opportunity to post questions online throughout the webcast session. The webcast will be available on: http://channel.royalcast.com/landingpage/hegnarmedia/20221108_6/

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

KEY EVENTS

- Keliber share sale for EUR 46.9 million closed
- Engebø Project value increases by over 70% to around USD 450 million
- Over 75% of the project financing for Engebø secured
- Nordic Rutile wins over Artic Mineral Resources in appeal case
- Full rutile production the first 5-years sold; second offtake agreement signed
- Engebø early construction works advances

CORPORATE

Keliber share sale for EUR 46.9 million closed in September 2022

In June Nordic Mining ASA accepted to sell its shares in Keliber Oy ("Keliber") to Sibanye Stillwater Limited ("SSW") for a cash consideration of EUR 157.28 per share, in total EUR 46.9 million, under a voluntary offer ("Voluntary Offer") provided by SSW to the shareholders of Keliber. The share sale was closed on 15 September 2022 with the transfer of shares and settlement of the cash consideration on 20 September. Following the sale, Nordic Mining holds no shares in Keliber. Please see note 4 for further information.

ENGEBØ RUTILE AND GARNET PROJECT (100% ownership)

Engebø Rutile and Garnet Project value increases by over 70% to around USD 450 million

In October 2022, Nordic Mining revised the project economics for the Engebø Rutile and Garnet Project based on the latest available data and assumptions. The revised analysis confirmed significant improvements in the key financials compared to the Updated Definitive Feasibility Study ("UDFS") from 2021 with unlevered post-tax NPV@8% of USD 453 million (up from USD 260 million) and post-tax IRR of 24.4% (up from 19.8%).

High-margin cash flow and short pay-back support bankability (unlevered):

- Remaining initial capital investment of around USD 207 million (down from USD 218 million)
- Life of Mine EBITDA of USD 3.1 billion (up from USD 2.1 billion), corresponding to an EBITDA-margin of over 75% (up from 68%)
- Life of Mine Operating Cash Flow of USD 2.5 billion (up from USD 1.7 billion)
- Free Cash Flow the first 10 years of full operations of over USD 60 million per annum (up from USD 51 million)

- Pay-back period of around 4 years from start of production (down from 4.4 years)

Nordic Mining has secured over 75 % of the project financing for Engebø

In October 2022 Nordic Mining issued, through its wholly owned subsidiary Nordic Rutile AS ("Nordic Rutile"), USD 100 million in a new 5-year senior secured bond for the Engebø Rutile and Garnet Project. The bond has fixed coupon of 12.5% per annum and an issue price of 90%, giving a calculated yield to maturity of around 16.3%. The bond issue was well subscribed by domestic and international quality investors such as pension funds, long-only credit funds, hedge funds and family offices. The settlement of the bond is expected to be on or around the 9 November 2022. The net proceeds from the bond will be used for the development of the Engebø Rutile and Garnet Project.

Further to the bond, Nordic Mining ASA has conditionally agreed a USD 55 million investment from leading mining investment firm Orion Resource Partners ("Orion"). The proposed investment will comprise of a USD 50 million non-dilutive royalty instrument to Nordic Rutile AS and USD 5 million in equity, which will be contributed to Nordic Mining ASA. The royalty instrument is intended to be secured, subordinate to the senior secured lenders to Nordic Rutile AS, subject to the terms of an Intercreditor Agreement. The investment from Orion is subject to the parties signing binding agreements and the satisfaction of certain conditions and approvals.

This secured, combined with the funds from the sale of the shares in Keliber Oy for EUR 46.9 million, over 75% of the project financing package for the Engebø Rutile and Garnet Project of USD 277 million, which will include a project reserve of USD 30 million. The transaction structure, terms, and timing of the remaining project financing will be announced in due course.

Nordic Rutile wins in Artic Mineral Resources appeal case in Borgarting Court of Appeal

The Borgarting Court of Appeal ruled on 24 October 2022 in favor of Nordic Rutile in Artic Mineral Resources ("AMR") appeal of the ruling from Oslo District Court. The appeal case took place 19–28 September 2022. The Court of Appeal ruling confirmed the ruling from the Oslo District Court that Nordic Rutile has exclusive right to all minerals in the Engebø deposit within the limits of the Norwegian Mining Act, in line with the operating license granted by the Ministry of Trade, Industry and Fisheries in May 2022. The court ruled that AMR shall pay all legal expenses, which Nordic Rutile will now focus on securing. AMR has informed that it will appeal the ruling of the appeal court to the Supreme Court. Furthermore, two NGO's have stated in the press that they will summon the Norwegian Government claiming that Nordic Rutile's disposal permit granted by the Norwegian Government in 2015 is null and void. Nordic Rutile has also received a litigation notice from an heir to the estate that sold a property that will constitute parts of the company's processing plant and granted land access rights to Nordic Rutile. It must be expected that Nordic Rutile may be summoned with a claim that the property sales agreement and land access agreement shall be reversed. The company will vigorously defend itself against the aforesaid legal actions.

Binding rutile Offtake Agreements secured for up to full production for the first 5-years of operations

In October 2020, Nordic Mining ASA signed the final rutile offtake agreement, through its wholly owned subsidiary Nordic Rutile AS, to secure committed sales for up to the full annual production of rutile from Engebø for the first 5 years of production, together with the offtake agreement signed with Iwatani Corporation in June 2022. Iwatani will as part of their agreement make an equity investment of NOK 191.7 million, corresponding to USD 20 million at the time of the signing of the agreement, in Nordic Mining ASA for the Engebø Rutile and Garnet Project. The agreement with Iwatani is subject to certain conditions relating to the equity investment having been fulfilled and the offtake agreements are inter alia subject to certain conditions precedent.

Engebø early construction works advances; enables optimizations of the construction schedule

Nordic Mining commenced in April 2022 early construction works at Engebø. Following the close of the sale of the stake in Keliber to SSW in September 2022, the Company resolved to contribute funds from the sale to continue to advance the early construction works. The groundwork in the process area is progressing in accordance with plan and we expect to be ready to start on concrete foundations in December 2022. The sea filling of the bay which is intended for future industry related to tailings will start early November and will allow a shorter transportation route for the material from blasting at the process area. The preparation of the tunnel portal is almost complete and work on the transport tunnel leading into the vertical shaft will start early November. The first half of the construction road up to the mountain is completed and work is ahead on the remaining part. The main construction works has been undertaken by local contractor, Sunnfjord Industripartner AS, under the lump-sum EPC ("Engineering, Procurement and Construction") contract signed in November 2021. In addition, Detail Engineering on the process plant is ongoing by Åsen & Øvrelid AS, Nordic Bulk AS and Normatic and we expect to complete the main parts of this work in Q1 2023. This will allow start of mechanical and electro installation work. The procurement of mechanical packages for the process plant is ongoing and we expect to procure the packages during before year-end 2022. The advancement of early works secures important project developments that enables optimizations of the construction schedule.

Q3 remained firm for both TiO₂ pigment production and titanium metal

Third quarter showed strong results for participants in the titanium dioxide pigment market mainly driven by price increases combined with lower volumes. The major pigment producers reported slower market conditions in Europe and China and expect this to continue into Q4 due to de-stocking and the usual seasonal lower demand for pigment in Q4. Titanium feedstock demand however is expected to remain firm and high-grade feedstock producers report sold out conditions for the remainder of the year.

When it comes to titanium metal, aerospace application demand remains robust due to the revival of air traffic as well as demand for non-Russian products. Titanium metal producers report strong demand and increasing sales prices. Further, there is continuous strong demand for titanium metal into general industrial and semiconductor applications.

Reported natural rutile prices in Q3 2022 has been in excess of USD 1,500/mt FOB, with main producers expecting pricing to remain flat in Q4 2022.

There is ongoing growth in demand for high quality garnet in both waterjet cutting and abrasive blasting. Drivers are mainly the investments in infrastructure, oil and gas industry as well as shipbuilding and manufacturing. The aerospace industry is an important driver as well. Nordic Mining is experiencing strong interest for garnet from Engebø and is in process to finalize a long-term offtake agreement.

Oslo, 8 November 2022
Nordic Mining ASA

Nordic Mining ASA (www.nordicmining.com)

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. 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".