



Prefeasibility study substantiates profitable rutile and garnet operation at Engebø

Nordic Mining ASA ("Nordic Mining") has completed the prefeasibility study ("PFS") for the Engebø rutile and garnet project ("the Project"). The study substantiates a profitable business case and supports further progress of the Project. Main PFS results and information are provided in this release and in separate attachments. Nordic Mining will host an open presentation and a telephone conference later today to present the results from the PFS.

Key PFS outcomes

The main results and Project characteristics presented in the PFS are:

- Robust dual-mineral operation with production of high-quality rutile and garnet
- Attractive Project financials:
 - Pre-tax [NPV@8%](#) of USD 332 million
 - Pre-tax IRR 23.8%
 - Pay-back period: < 5 year
- Upside potential for a NPV@8% up to USD 465 million for a scalable concept with increased capacity (staged expansion), higher sales volumes and utilisation of inferred mineral resources
- Substantially reduced upfront capital cost; USD 207 million for the initial 1.5 mtpa operation
- 16 years of open pit mining followed by 13 years underground; potential extension of mine life by mining of large inferred resources to the east and west of the deposit, and to the depth
- Low cost operation due to outcropping, high-grade mineral deposit, low stripping ratio, geotechnically stable orebody, limited transportation costs and good product recoveries
- First quartile revenue-to-cost position for rutile compared with global titanium feedstock industry
- Favorable location at tidal waters and efficient logistics for European and overseas markets
- Zoning plan and environmental permit fully granted
- The PFS supports further Project progress towards production

Comments from Nordic Mining

Chairman of the Board Tarmo Tuominen comments:

"The Board of Nordic Mining intends to develop the Engebø rutile and garnet project into a sustainable mining and processing operation. The PFS clarifies important aspects of the project, and we look forward to progress towards investment decision and production of high-quality rutile and garnet."

CEO Ivar S. Fossum comments:

"We are pleased to have reached this important milestone for the Engebø project. The PFS results indicate an attractive and robust business case. The PFS process has reduced important risks and moved the project closer to realisation. The unique characteristics of the orebody with two major minerals, rutile and garnet, provides a solid commercial framework."

The operating costs are low due to the efficient mining and processing methods that the project allows for. The project concept is flexible and can be developed further to realise, in whole or part, a 40% upside potential to the estimated NPV of USD 332 million.

Rutile and garnet products from Engebø will have a strong competitive position and favorable shipping to European and overseas markets. For the growing garnet market, we will be the first producer in Europe.

The Engebø project is based on high standards for health, environment and safety and the regulatory framework established in the approved zoning plan and the environmental permit for the project. In this respect, the PFS report presented today is a "PFS Plus version" as the fundamental regulatory permits are in place.

The PFS process has been a comprehensive exercise, and we thank all the professional contributors for their efforts and support in developing the business case outlined in the PFS."

Project development going forward

The positive results from the PFS supports further progress for the Project. This may in turn result in a need for additional funding for pre-construction activities and general corporate expenditures, preliminary indicated at a total level of approximately USD 20 million.

The company has initiated a process to evaluate the potential funding need and to explore various options in this respect, for which Carnegie and Swedbank are engaged as advisors for Nordic Mining.

Attachments and PFS presentations

The executive summary of the PFS report is enclosed in this release. The full PFS report including its assumptions and risks will be available on Nordic Mining's webpage www.nordicmining.com.

Please also find enclosed a management presentation of the PFS. Nordic Mining will host an open presentation (in Norwegian) to be held in the company's office in Oslo (address: Vika Atrium, Munkedamsveien 45, entrance A, 5th floor) at 11:00 CET today. We invite investors, analysts and media to attend the presentation. Please give notice of participation by email to post@nordicmining.com or telephone +47-90160941.

Further, a conference call in English will be hosted at 15:00 CET today to present the PFS study followed by a Q&A session. A recording of the call will be made available on www.nordicmining.com.

Dial-in details for the conference call (in English):

Conference ID: 1065758

Direct line Norway: +47 2350 0296

Direct line UK: +44 (0)330 336 9411

Direct line USA: +1 323 794 2093

Other locations: Choose one of the above

A replay will be available from 30 October at appr. 18:00 CET.

Replay phone number: +47 2350 0077

Replay passcode: 1065758

For questions, please contact CEO Ivar S. Fossum, telephone +47-930 96 850.

Oslo, 30 October 2017
Nordic Mining ASA

About 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 in Norway and internationally. The Company's project portfolio is of high international standard and holds a 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. Permits for the project have been granted by the Norwegian government, and a prefeasibility study is completed. Nordic Mining's associated company Keliber in Finland is in the process of completing its definitive feasibility study and preparing for production of lithium carbonate. Nordic Mining has rights for exploration and production of high-purity quartz in Kvinnherad in Norway. Further, the Company holds exploration rights at Reinfjord in northern Norway where a prospective area of sulphide mineralisation has been discovered. Nordic Mining is also exploring opportunities related to seabed mineral resources.

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