



Nordic Mining ASA (OAX:NOM) - Interim report per 31 December 2018

Enclosed please find Nordic Mining's interim report for fourth quarter 2018. The interim report and company updates will be presented today, Tuesday 19 February 2019 at 10.00 (CET) in the company's office (address details below). A presentation and Q&A session will be held in English and transferred via webcast (details for the webcast below).

Important events in the fourth quarter 2018, the year 2018 and year-to-date 2019:

Corporate

Rights issue to finance the Engebø definitive feasibility study completed

In November 2018, Nordic Mining executed a rights issue of 17,391,304 shares at a subscription price of NOK 2.30 per share and gross proceeds of NOK 40.0 million. The main purpose of the capital raise was to continue the development of the Engebø rutile and garnet project towards completion of the definitive feasibility study. The Barton Group, who has produced the world's highest-quality garnet abrasives for more than six generations and is also an offtake partner to Nordic Mining, increased its shareholding from 2.3% to 3.6% in the rights issue.

Engagement of financial advisor for the Engebø construction financing

In January 2019, Nordic Mining entered into an agreement with Northcott Capital Ltd for provision of financial advisory services for the debt financing of the Engebø project.

Engebø rutile and garnet project

Agreement with Japanese trading house on offtake and construction financing

In January 2019, Nordic Mining signed a Heads of Agreement with a reputable Japanese trading house relating to long term offtake for rutile and participation with a substantial portion of the construction financing for the Engebø project. The offtake on rutile is complementary to the Heads of Agreement previously entered into with the Barton Group relating to offtake and commercial cooperation for garnet from Engebø. Both agreements will be further developed and finalized over the next months to secure future cashflows and strengthen the ability to provide financing for the project.

Positive market outlook for rutile and garnet

High capacity utilization in the pigment industry, reduced stockpiles and limited supply are key drivers for a continued strong demand for rutile feedstock. Recent bulk rutile prices (95% TiO₂) have been reported to exceed USD 1,100 per tonne. There is currently no production of garnet in Europe, nor any planned production apart from Engebø.

Application for operating license filed; steady progress on infrastructure and planning

In February 2019, Nordic Mining filed an application for operating licence for the Engebø project with the Norwegian Directorate of Mining. The outcome of the approval process is expected within 12 months. The operating license will regulate operational scope, methodology and procedures to secure safe and efficient production of the mineral resources. The zoning plan for the mining and processing areas and the environmental permit for the project have already been granted.

Detailed regulation of buildings and infrastructure at the processing plant and service areas, as well as for the access and haul roads etc. is ongoing. The zoning plan for the planned pipeline for process water supply is progressing. A comprehensive monitoring program for various environmental aspects is under development.

Definitive feasibility activities progressing

The test work activities and the finalization of the flow chart is nearing completion. Further clarifications relating to configuration of the rutile and garnet processing circuits have been achieved. In order to assure that the process plant design parameters are optimized, the completion of the definitive feasibility study is expected during the second half of 2019.

Nordic Mining has, together with the Barton Group, performed waterjet cutting testing using garnet products from Engebø. The test results are positive and indicate performance according to expectations for premium quality garnet products for cutting speed, finish as well as for abrasive consumption.

Keliber lithium project

Optimizing the business case

In June 2018, Keliber completed the definitive feasibility study for the lithium project in Finland. The study confirms a profitable business case and outlines the plans for project execution.

Industry observations indicate that lithium hydroxide to an increasing extent is used in cathodes for lithium-ion batteries in electric vehicles. To respond to this development, Keliber has carried out a test program for production of lithium hydroxide which was successfully completed in December 2018. Battery-grade product has been produced in laboratory and pilot scales. Optimisation of process flowsheet and detailed technical and economic assessments are ongoing, and Keliber targets to conclude its evaluation of the feasibility of a possible lithium hydroxide production scheme during Q1 2019.

Equity issue successfully completed

On 15 February 2019, Keliber raised EUR 10 million from existing shareholders to finance ongoing development work and other pre-construction activities. Following the share issue, Nordic Mining's shareholding in Keliber is approximately 18.5%. The implied value in

the capital raise exceeded the book value recognized by the Group by approximately NOK 100 million which will be recognized as a gain in the financial statements for Q1 2019 (ref. Note 6). The gain is not subject to tax.

Offtake and project financing under way

Keliber has appointed financial advisors and is in dialogue with potential customers to secure offtake agreements suitable for project financing.

Permitting process progressing

In December 2018, the permit for the Syväjärvi deposit was granted and the application for the Kalavesi concentrator plant submitted. Applications for the Rapasaari deposit and the Kokkola chemical plant are targeted for submission in Q1 2019. Keliber expects clarification of the remaining permits by end of Q3 2019.

The fourth quarter presentation will be held today, Tuesday 18 February 2019 at 10:00 (CET) in Nordic Mining's office at Vika Atrium, Munkedamsveien 45 (Entrance A, 5th floor), N-0250 Oslo.

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://webtv.hegнар.no/presentation.php?webcastId=97603678>

For further information, please contact CFO Birte Norheim, telephone +47-95293321.

Oslo, 19 February 2019
Nordic Mining ASA

Nordic Mining ASA (www.nordicmining.com)

Nordic Mining ASA (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 18.5% of the shares in Keliber Oy, which is developing a lithium project in Finland. Nordic Mining holds rights for exploration of high-purity quartz in Kvinnherad in Norway and 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".