



Nordic Mining ASA (EN Expand:NOM) - Interim report per 30 September 2021

Please find enclosed Nordic Mining's interim report and company presentation for the third quarter of 2021. The interim report and company updates will be presented digitally today, Tuesday 9 November 2021 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: https://channel.royalcast.com/landingpage/hegnarmedia/20211109_3/

Important events in the third quarter of 2021 and year to date:

CORPORATE

Successful capital raise of NOK 80 million

In February 2021, Nordic Mining completed a private placement with gross proceeds of NOK 80 million. The capital raise enabled the Company to participate in Keliber's equity issue in March/April to retain an ownership of 14.3%. The ownership in Keliber was in September 2021 diluted to 12.7%. See note 3 for further information. The remaining funds will be used towards securing financing for the Engebø project, and preparing for execution, as well as development of the Group's position within the seabed mineral resources area, and for general corporate purposes and business development.

ENGEBØ RUTILE AND GARNET PROJECT (100% ownership)

Lump sum EPC contracts signed with partners for Engebø Project construction

In November 2021 Nordic Mining signed, through its wholly owned subsidiary Nordic Rutile AS, lump sum contracts for the Engineering, Procurement and Construction ("EPC") for the Engebø Rutile and Garnet project's selected EPC partners Sunnfjord Industripartner AS, Åsen & Øvrelid AS and Nordic Bulk AS. The EPC contracts represent a formalization of the Letters of Intent signed between the parties in June 2021 and comprise a lump sum price for the agreed scope of work agreed in the EPC contracts. Nordic Bulk AS scope of work has been extended to include the procurement of mechanical equipment for the crushing circuit. The last EPC contract with Normatic AS is expected to be finalized and signed later in November. In total the four lump sum EPC contracts will cover around 75% of the total plant and mine capital expenditure of USD 203.4 million. The EPCs partners will continue to work with the owners' team to further advance selected Detailed Engineering work originally part of the UDFS construction work.

In June 2021 the Company signed Letters of Intent with leading engineering companies Hatch and Sweco as Project Management Consultant ("PMC") for the Engebø Rutile and Garnet project. The PMC will be integrated in the owners' team, reporting to the Engebø Project Director, and will be responsible for process design, and overall engineering coordination and integration of the selected partners for Engineering, Procurement and Construction.

Full victory for Nordic Rutile

In October Oslo District Court ruled in favor of Nordic Rutile on all items in the court case against Artic Mineral Resources ("AMR"). The ruling confirms that Nordic Rutile's extraction

rights are valid and that the company has the right to extract and - within the limits of the Norwegian Mining's Act - utilize garnet and all other minerals on the Vevring side of the Engebø deposit, and conversely fully rejects AMR's claim. The ruling was expected, and Nordic Rutile will now focus on securing awarded legal expenses of NOK 3.5 million.

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 UDFS confirmed Engebø as a sustainable and economically robust mineral project with reduced financing risk, improved financial resilience, and attractive financials returns.

Key UDFS economic figures and highlights:

- Pre-tax NPV@8% of USD 355 million
- 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 reduced from USD 311 million in DFS, maintaining a Run-of-Mine ("ROM") of 1.5 Mtpa
 - 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
- Reduced environmental footprint:
 - 99% reduction in consumption of approved chemicals in the production process (compared with the 2016 environmental permit)
 - ~ 80% reduction of CO2 emissions
 - ~ 40% reduction of the process plant facilities footprint

Long-term offtake agreements signed for the full rutile production from Engebø

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 are in 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 and expect the final agreements to be signed by year-end.

Nordic Mining is currently in constructive discussions with selected partners for offtake and distribution of garnet to Europe and overseas markets.

Processes ongoing with selected strategic investors related to participation in project financing

In June 2021, Nordic Mining appointed Clarkson Platou Securities AS ("CPS") and SpareBank 1 Markets AS ("SB1M") to advice on the project financing for the Engebø project. Positive interest has been received from investor pre-soundings undertaken this summer-autumn, and the Group is now in processes with selected strategic investors related to possible participation in the project financing. The formal financing process will be started in due course pending final decision on the operating license by the Ministry of Industries, Trade and Fisheries.

Implementation of environmental and social management systems

The Company is implementing an integrated and comprehensive Environmental and Social Management System ("ESMS") for the Engebø project to ensure environmental and social issues are managed in accordance with International Finance Corporation's ("IFC") Performance Standards and the Equator Principles, as well as Norwegian permits and regulations.

The Company has implemented a Stakeholder Engagement Plan to strengthen and build sustainable stakeholder relations prior to, and during construction, and further into the production phase, and is in the process of finalizing and implementing a Waste Management Plan and a Closure and Rehabilitation Plan. The management plans have been reviewed by the international mining consultancy firm SRK Consulting ("SRK") to ensure compliance with the IFC standards. A local resource group has been established with participation from key stakeholder groups to participate in the Company's environmental monitoring program.

Revised discharge permit granted

In January 2021, the Environment Agency granted a revised discharge permit implying a substitution of chemicals from the original permit, commenting that the significant reduction in chemical consumption will have lower impact on the environment than the previously planned consumption.

Long-term rutile price expectations increase as result of increasing supply uncertainty

Bulk rutile prices continued to increase in the third quarter of 2021 as the already strong demand for high-grade feedstocks was inflated by low inventory levels and shortages of chloride feedstock in North America and Europe. Reports from western producers indicate that the strong and increasing demand will limit their opportunities to rebuild inventories for the remainder of 2021, and that this momentum could extend into 2022.

Notwithstanding Iluka's decision to delay its suspension of operation from November 2021 to January 2022, the overall supply impact is muted driven by the supply disruption at Rio Tinto's Richards Bay plant in South Africa. TZMI have on the back of this revised their 2020 bulk rutile price forecast to over USD 1,400/mt FOB, corresponding to a price increase of close to 15% compared to the forecasted average bulk price in 2021. Real long-term bulk rutile prices are expected to remain in the range USD 1,300-1,320/mt FOB, which is USD 120-140/mt above the long-term rutile price used in the UDFS in May 2021.

The garnet demand in 2020 was impacted by reduced economic activity and lower oil price. Prices of garnet to end-customers 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%. The existing main producers of garnet are in Australia, China, India, and South-Africa, with no production in Europe. In the USA, domestic production is significantly short of the demand. Various garnet buyers have indicated that long-term supply of high-quality garnet from Europe is important for supply security and efficient logistics. Nordic Mining has provided garnet samples for testing, and the results compare well with industrial reference qualities.

Positive discussions continue with potential distributors for long-term offtake agreements.

KELIBER LITHIUM PROJECT (12.7% ownership)

Rallying lithium prices are boosting valuation of lithium development projects

Lithium development equities has seen a positive movement over the past year driven by the massive increase in adaptation of EV's and improved investor sentiment towards the green transition, with the share prices of a Keliber peer-group having increased by over 330% on average over the last year. The Group have as per 30 September 2021 assessed the fair value the Keliber investment to NOK 193.9 million per Q3 2021, which represents a fair value gain of NOK 72.6 million compared to the second quarter of 2021. See note 3 for

details on fair value assessment as per 30 September 2021.

Sibanye-Stillwater closes EUR 10 million second tranche of equity investment 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 line with the agreement the second tranche of SSWs 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 share issue, Nordic Mining was diluted from 14.3% to 12.7% ownership in Keliber. The first tranche of SSWs initial investment of EUR 15 million was closed in March 2021, and at the same time a share issue of up to 250,000 shares was opened to existing shareholders of Keliber. Nordic Mining was allocated in total 58,975 shares in the share issue at a price of EUR 40 per share corresponding to 23.6% of the share issue.

SSW plans to play a key role as an industrial anchor investor in the project financing planned for mid-2022 and has in accordance with the investment agreement the option to secure a majority shareholding in Keliber, following the completion of the updated Feasibility Study.

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 ore reserves of the largest lithium deposit, Rapasaari, have increased by 55 percent.

Keliber's total proven and probable ore reserves are 12.30 million tonnes (2019: 9.37 million tonnes) at an average grade of 0.94% (2019: 0.98%) Li₂O, using a cut-off grade of 0.40% Li₂O for the open pit ore reserves and a cut-off grade of 0.40–0.70% Li₂O for the underground ore reserves. The Rapasaari deposit represents 67% (2019: 56%) of Keliber's total ore reserves.

The total measured and indicated mineral resources of Keliber is 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 ore reserve and mineral resource estimates comply with the JORC 2012 code. See note 3 on fair value assessment of the investment in Keliber as per 30 September 2021.

Project update and review

Keliber continues to advance the lithium project including technical planning, permitting, ore potential, market assessments and financing. The company have decided to increase the production capacity for lithium hydroxide from 12,000 to 15,000 tonnes per year. Further, the concentrator plant will be moved closer to the main spodumene deposits to increase efficiency and reduce environmental footprint. Basic engineering work is ongoing related to the concentrator, tailings disposal solutions and the chemical plant.

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. Keliber expects the

permit decision by end of 2021.

Keliber is expected to complete an update of the DFS early in 2022.

Electrical Vehicle market and shift to e-mobility driving lithium market outlook

In the first part of 2020, lithium prices were under pressure driven by the uncertainties caused by the Covid-pandemic. In the second half of the year, economic activity including electrical vehicle manufacturing picked up and the market balance for lithium was tightening. The ongoing and expected recovery of economies and the pace of transition towards greener and more sustainable solutions are expected to fuel the lithium market in the coming years.

In the 2020 list of Critical Raw Materials, the European Union indicated that Europe would need about 60 times more lithium, which is critical for a shift to e-mobility, for EV batteries and energy storage by 2050. The first European battery giga-factories are coming to production in 2021, and with more giga-factories in project phase, including significant battery initiatives in the Nordic countries.

Keliber's targeted position as a low-cost producer and the first producer in Europe of battery-grade lithium hydroxide is expected to be an advantage when it comes to future sales to battery manufacturers.

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"). Research assessments indicate an attractive potential for discovery of metallic ore deposits with possible significant economic values within Norway's exclusive economic zone.

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 issued a hearing for 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 November 2021
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. Nordic Mining also holds 12.7% 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".