



Nordic Mining ASA (EN Expand:NOM): Interim report per 30 June 2023

Please find enclosed Nordic Mining's interim report and company presentation for the second quarter of 2023. The interim report and company updates will be presented from the construction site for Engebø Rutile and Garnet today, Tuesday 15 August 2023 at 11.00 (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/hegnarmedia/#!/hegnarmedia/20230815_6

Summary of important events in the second quarter of 2023 and year to date:

KEY EVENTS

- Nordic Mining's first Transparency Act Report released in June 2023
- Final investment decision for Engebø Project, following completion of project financing
- Engebø Rutile and Garnet progressing on plan with construction at Engebø
- Engebø Rutile and Garnet USD 100 million senior secured bond listed on Nordic ABM
- Binding offtake agreements for full production of minerals for the first 5-years of production
- Memorandum of Understanding for offtake of pyrite
- The Norwegian state to support Nordic Mining in Supreme Court

CORPORATE

Nordic Mining's first Transparency Act Report released in June 2023

In June 2023, Nordic Mining released its Transparency Act Report for 2023. The report is available on the company's webpage: www.nordicmining.com/sustainability/corporate-responsibility/

Final investment decision for Engebø Project, following completion of project financing

In March 2023, Nordic Mining secured the remaining equity component of the total USD 277 million project financing package for the Engebø Project in a private placement of NOK 940 million. The private placement was resolved by the Extraordinary General Meeting and Board of Directors on 3 March 2023 and contributed to Engebø Rutile and Garnet on 8 March 2023, satisfying all relevant financing conditions. The gross proceeds from the private placement, together with the equity from the sale of the shares in Keliber corresponding to around NOK 474 million, the USD 100 million in senior secured bond issued by Engebø Rutile and Garnet in November 2022 and USD 50 million non-dilutive royalty financing agreement entered into between Engebø Rutile and Garnet and mining investment firm Orion Resource Partners ("Orion") in February 2023 is expected to fund all costs and expenditures to bring the Engebø Project into commercial production, including a project reserve of USD 30 million. The royalty agreement entails that Orion will pay USD 50 million to Engebø Rutile and Garnet as a fixed, one-time consideration for the right to receive a 11 % royalty of the gross revenue from the sale of products from the Engebø Project for up to 90 years. Engebø Rutile and Garnet has the right to buy back 50% of the royalty against a reduction in the royalty payments to 5.5%. The royalty financing will hold

second priority lien on senior security package, subject to the terms of an Intercreditor Agreement. The financing agreements, including the royalty agreement, are subject certain pre-disbursement conditions precedent order for Engebø Rutile and Garnet to draw down any amounts under the financing, including i.e. that all equity contributed to Engebø Rutile and Garnet has been spend towards the development and construction of the Engebø Project. The royalty agreement will not have any accounting effects until drawdown of the one-time consideration of USD 50 million, except transaction costs related to completion of the royalty financing agreement. Please see note 7 for more information on financial costs.

In April 2023, the subscription period for a subsequent offering in Nordic Mining of up to 216,666,667 new shares at a subscription price of NOK 0.60 per share expired. The final number of valid subscriptions received in the subsequent offering was 136,544,091, of which all was allocated in accordance with the allocation criteria set out in the prospectus. The new capital was registered in Norwegian Register of Business Enterprises and the shares issued on 28 April 2023. The gross proceeds from the subsequent offering were approximately NOK 81.9 million.

ENGEBØ RUTILE AND GARNET AS (100% ownership)

Nordic Rutile AS changes company name to Engebø Rutile and Garnet AS

In June 2023, Nordic Rutile AS changed its company name to Engebø Rutile and Garnet AS ("Engebø Rutile and Garnet"). The amended Articles of Association, including the change of company name and company address, has been registered in the Norwegian Register of Business Enterprises.

Kenneth Nakken Angedal, who has had the position as Operations Director for Engebø Rutile and Garnet, was at the same appointed Managing Director, and will report to the CEO of Nordic Mining. Angedal will have the overall responsibility of the Engebø Project.

Engebø Rutile and Garnet progressing on plan with construction at Engebø

Following completion of project financing of the Engebø Project in March 2023 the four lump-sum EPC ("Engineering, Procurement and Construction") contracts with Sunnfjord Industripartner AS, Åsen & Øvrelid AS, Nordic Bulk AS and Normatic AS were fully activated. The local groundworks contractor, Sunnfjord Industripartner AS, has undertaken the groundworks on the process plant area and preparatory works for underground infrastructure at Engebø under the lump-sum EPC contract since April 2022. Local EPC building contractor, Åsen & Øvrelid AS, has reached the milestone of fully enclosed walls and roofs on the administration and workshop buildings. Detail Engineering on the process plant is ongoing by Nordic Bulk AS and Normatic AS. The main parts of the Detail Engineering were completed in Q2 2023, and fabrication of steel and other equipment has started.

In the second quarter of 2023 Engebø Rutile and Garnet completed several milestones, closing out several risks related to HSE, capital expenditure and schedule.

- Completed ore conveyor primary crushing chamber, and new bypass tunnel for improved operational flexibility.
- Completed new 3 km access road to the mining service area.
- Completed raise bore drilling of ore vertical pass with diameter of 4.5 meters and 220 meters length to the top of Engebø with collar positioned at 285 meters above sea level.
- Geotechnical safety measures completed on rockfaces at the process plant area and in primary crushing chamber.
- Completing soil cover at "Stommelshaugane" to reuse fertile soil from the process area.
- Finalized mining service area base plot, ready for construction of mining workshop.
- Erected admin and workshop building with roof and walls fully enclosed.

The civil work for the process plant buildings is well advanced and preparatory work for mechanical and electrical work will start in Q3. Mechanical installations are expected to start for both the underground crushing chamber and process plant in October 2023.

The full financing and final investment decision of the Engebø Project in March 2023 allowed Engebø Rutile and Garnet to move forward with the fabrication of long lead mechanical packages for the process plant. The client provided items ("CPIs") are procured directly by the Group and are made with leading global suppliers of sustainable solutions for the mineral industry, including agreements with Metso Outotec and Mineral Technology, suppliers of sustainable end-to-end technologies, solutions, and services for the minerals industry globally, for delivery of a comprehensive mining processing technology packages. The current estimates for delivery time and costs for the CPI packages are in line with expectations.

The operational team at Engebø is growing and several new key resources are onboarding in Q3 2023 with preparations being made to open further new positions for hire in the coming quarter.

Engebø Rutile and Garnet USD 100 million senior secured bond listed on Nordic ABM

In April 2023, Nordic Rutile USD 100 million 5-year senior secured bond with ISIN NO0012734112 was listed on Nordic ABM with listing date 12 April 2023. Following the change of company name to Engebø Rutile and Garnet in June the ticker on Nordic ABM is ERUGA01 PRO.

Binding offtake agreements for full production of minerals for the first 5-years of production

In 2022, Engebø Rutile and Garnet entered into two rutile offtake agreements, the first with Iwatani Corporation for close to 60% of the planned rutile production for the first 5-year and the second agreement in October 2022 for up to the remaining annual planned rutile production for the first 5-year. The consideration under the rutile offtake agreements will be based on the market price for 95% natural rutile concentrate, adjusted for actual TiO₂ content, as determined from TZMI index or annual price discussions between the parties.

In January 2023, Engebø Rutile and Garnet entered into a global exclusive offtake agreement for the full planned garnet production from Engebø for the first 5 years of production. The offtake agreement is for the supply and delivery of minimum total of 762,500 metric tonnes of garnet concentrate in the 5-year contract period, up to a total of 785,000 metric tonnes, which is the full planned garnet production the first 5-years of production. Further to the initial garnet offtake, the parties shall discuss extension of the cooperation, comprising for example joint marketing, sales, and distribution of garnet from the Engebø Rutile and Garnet Project. The consideration under the garnet offtake agreement will be based on a pre-agreed price schedule.

Nordic Mining has with the rutile and garnet offtake agreements secured committed sales for up to the full production of all minerals from the Engebø Rutile and Garnet Project for the first 5 years of production, all with highly reputable buyers. The offtake agreements are *inter alia* subject to certain conditions precedent.

Memorandum of Understanding for offtake of pyrite

In February 2023, the Group entered into a Memorandum of Understanding ("MoU") for a long-term joint cooperation for the offtake of pyrite from the Engebø Project. Pyrite (Iron sulfate) is a mineral that is present in the Engebø Eclogite-ore and that will be separated in the process of purifying the rutile concentrate. Nordic Mining will in partnership with Green Trail Holding Ltd, a trading company with over 30 years of experience, together pursue market opportunities for pyrite as a new mineral production stream. Pyrite has previously been considered as a residual waste stream from the Engebø Project.

The successful production, marketability and sale of pyrite can potentially create value from residual mineral waste streams and reduce the need to deposit pyrite as part of the tailings. Further, it has the potential for a significant reduction of chemical additives in the tailings. Even though the project is fully permitted and considered environmentally safe by

the Norwegian authorities, any reduction in additives in the tailings is regarded positive and further reduces the risk of environmental impacts. The process plant design already allows for finalization of the pyrite as a separate mineral concentrate stream, with minimum additional infrastructure requirements.

Rutile demand supported by welding and Ti-sponge market segments

Titanium metal demand, being an important driver for rutile, remained robust in the second quarter of 2023 driven by the steady demand for aircraft and general industrial applications, combined with demand for non-Russian products. The outlook remains strong for the rest of 2023.

For titanium feedstock producers the second quarter 2023 showed a mixed picture. Rutile sales volumes were reported to be on par with production levels, with reported average prices showing a minor increase from the first quarter of this year. The TiO₂ industry showed recovery in Q2-2023 compared to Q1; however, the expected recovery of pigment demand was below expected levels due to softer real estate markets in China, North America and Europe, and higher interest rates in North America and Europe. Reported inventories are still low due to the actions taken in the 9 months.

Reported bulk natural rutile prices in Q2 2023 was around USD 1,480/mt FOB and above, with the main producers expecting pricing to remain in this range going forward.

Industrial garnet demand in North America was variable in the second quarter of 2023. High inventories and concern for the US debt ceiling slowed demand in April and early May. This trend reversed in June, with fairly strong demand. Demand in Europe remained depressed in the second quarter due to softness in larger economies. The economic pressures were directly reflected in demand for waterjet cutting garnet. Demand for blasting garnet remained more stable on basis of ongoing projects and strong demand in the shipbuilding and offshore sectors. The sale of new waterjet machines remained steady in the quarter. This is expected to continue backdrop of slowdown in capital investments for the rest of 2023. Garnet selling prices in the main markets of North America and Europe are coming under pressure as freight rates from Asia have reduced to pre-pandemic levels.

The Norwegian state to support Nordic Mining in Supreme Court

In April 2023 the Supreme Court's appeals committee informed that the appeal by Artic Mineral Resources ("AMR") on the ruling from Borgarting Court of Appeal will be heard before the Supreme Court. In May 2023 the Attorney General of Norway has confirmed to the Supreme Court that the Norwegian state will support Nordic Mining and participate in the Supreme Court proceedings handling the appeal by AMR. The hearing is tentatively scheduled to take place late October 2023. The Oslo District Court and the Borgarting Court of Appeal both ruled in favor of Engebø Rutile and Garnet and concluded that AMR shall pay Engebø Rutile and Garnet's legal expenses. The court rulings were in line with the operating license granted by the Ministry of Trade, Industry and Fisheries in May 2022.

NORDIC OCEAN RESOURCES AS (100% ownership)

Nordic Mining has during the last year considered various strategic opportunities within seabed minerals. The lead time to develop and establish viable and commercial exploitation of seabed minerals resources is considered excessive compared to opportunities on land. Following a strategic review, Nordic Mining has therefor decided to pause the engagement in seabed minerals exploration and prioritize onshore opportunities within Nordic Mining's current strategy of exploration and production of high-end minerals and metals.

Oslo, 15 August 2023
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 is undertaking a large-scale

industrial development at Engebø on the west coast of Norway through its wholly owned subsidiary, Engebø Rutile and Garnet, which has mining 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's project portfolio is of high international standard and holds significant economic potential.

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