INTERIM REPORT

Per 31 March 2013

Nordic Mining ASA – Group interim report per 31 March 2013

Nordic Mining ASA ("Nordic Mining" or "the Company") is a resource company with operating activity and focus on high-end industrial minerals and metals in Norway and internationally. The Company's project portfolio is of a high international standard and holds a significant economic potential. The Company's assets are mainly in the Nordic region.

Nordic Mining produces anorthosite at Gudvangen in Sogn and Fjordane through its subsidiary Gudvangen Stein AS ("Gudvangen Stein"). Through the subsidiary Nordic Rutile AS ("Nordic Rutile") Nordic Mining is undertaking large-scale project development at Engebøfjellet in Sogn and Fjordane where the Company has rights to a substantial eclogite deposit with rutile and garnet. Nordic Mining has rights for exploration and production of high-purity quartz in Kvinnherad in Hordaland and develops the project through its subsidiary Nordic Quartz AS ("Nordic Quartz"). Through Keliber Oy in Finland, Nordic Mining plans to start mining of lithium bearing spodumene and production of lithium carbonate. Nordic Mining holds explorations rights in the Seiland region in Troms and Finnmark where the Company has discovered a prospective area of sulphide mineralization in 2012. Through the subsidiary Nordic Ocean Resources AS, Nordic Mining is exploring opportunities related to seabed mineral resources.

Nordic Mining is listed on Oslo Axess.

Important events from 1 January 2013 and year-to-date:

- ***The government's strategy for development of mineral industries in Norway***
  On 13 March 2013, the minister of trade and industry presented the government's strategy for the mineral industries in Norway. The strategy provides a political platform for industrial development. The strategy emphasises that solutions for disposal of mineral residues shall be evaluated separately for each project, and that sea disposal may represent a suitable solution for mining operations in coastal areas, and where natural parameters offer good conditions. Further, the strategy outlines that the permitting process for mineral projects shall be predictable and carried out in a timely and cost efficient manner.

- ***The Ministry of the Environment has requested supplementary information regarding the Engebø rutile project***
  On the same day as the government's mineral strategy was launched, 13 March 2013 the Ministry of the Environment informed that the current information related to the industrial area plan and the application for disposal of mineral residues in connection with the Engebø project, in the Ministry's opinion, is not sufficient for making a decision. The Ministry requested additional information regarding e.g. sea water circulation, solution for waste disposal, use of fresh water etc. Discussions are ongoing with the Ministry to clarify the actual content of the requested supplementary information. Nordic Mining has expressed its opinion to the Ministry with regard to the particular political and administrative processes, timing issues, and factual matters. Further, the Company has presented concrete proposals related to the requested supplementary information.

- ***Drilling progress on Keliber's new lithium deposits***
  In connection with the €4 million equity financing of Keliber in October 2012 the Leviäkangas and Syväjärvi lithium deposits were acquired from the Finnish government. A drilling program has been initiated, and reports indicate wide zones of spodumene pegmatite in Syväjärvi and positive results from analysis of drill core assays at both Syväjärvi and Leviäkangas. Update on JORC compliant resource estimates are expected in May 2013. Nordic Mining has retained a 38% shareholding in Keliber, with a consequent

change from being a subsidiary to an associated company in the Nordic Mining Group.

- ***Pilot scale process testing in lab of production of alumina from anorthosite***
  Nordic Mining and IFE are proceeding with development work related to the optimisation of the leaching process for alumina from anorthosite. Positive results have been achieved with effective leaching of approximately 95% alumina within a few hours. Pilot scale testing of the process in a lab is scheduled for June 2013, and a technical/economical evaluation and summery of the project is expected in September/October 2013.

- ***Assessment of strategic options***
  Nordic Mining has initiated an assessment of strategic options and alternatives for the various parts of its business with a purpose to continue project development and strengthen the company's financial position. The assessment includes considerations related to bringing on board industrial or financial investors/partners in the Group's projects in order to progress value increasing activities. Other strategic options will also be considered. This may possibly lead to changes in the Group's project portfolio.

Financial performance

For comparison, numbers in brackets relate to the same period 2012. The 2012 figures have been adjusted to reflect that Nordic Mining no longer holds a controlling interest in Keliber. Further, the 2012 figures have been restated for the implementation of IAS 19R as described in note 1.

Nordic Mining's operational activity relates to production and sales of anorthosite in Gudvangen Stein. Sales revenue in the first quarter was NOK 4.4 million (NOK 4.5 million). Sales volume in the quarter was 39,000 tonnes which is 2,000 tonnes higher than the same period in 2012. The sales volume for the period is in line with normal seasonal variations with lower demand in the winter season.

Operating loss for the Group in the first quarter was NOK -5.3 million (NOK -6.6 million). The operating loss was related to costs in connection with development of the projects at/in Engebø, Gudvangen Stein, Nordic Quartz/Kvinnherad, and general corporate expenses.

As a consequence of Nordic Mining's reduced shareholding in Keliber following from the private placement completed in October 2012, the Group's investment in Keliber has been classified as shares in an associated company. For the first quarter the net loss from the associated company was NOK -0.7 million (NOK 0).

Consolidated net loss in the first quarter for continuing operations was NOK -6.2 million (NOK -7.0 million). Included in the net loss are net financial costs of NOK -0.2 million (NOK -0.4 million). Loss from discontinued operations in the first quarter was nil (NOK -0.7 million).

Total consolidated net loss in the first quarter was NOK -6.2 million (NOK -7.7 million).

Nordic Mining's balance sheet as of 31 March 2013 was NOK 55.7 million (NOK 112.9 million). As per 31 March 2013, total equity amounted to NOK 35.0 million (NOK 70.2 million). This gives an equity ratio for the Group of 63% (62%).

Cash flow from the Group's operating activities was negative in the first quarter with NOK -5.1 million (NOK -8.4 million). Net cash used in investment activities amounted to NOK -0.4 million (NOK -0.3 million). The investments were mainly related to production equipment in Gudvangen Stein.

On 26 February 2013, Nordic Mining executed a private placement of 8,966,017 shares directed towards existing shareholders and Norwegian investors. The subscription price was NOK 0.70 per share, resulting in gross proceeds of approximately NOK 6.3 million, ref. note 5 to the financial statements. As per 31 March 2013, the Group's cash and cash equivalents amounted to NOK 4.0 million (NOK 27.2 million). A subsequent offering in April 2013 resulted in gross proceeds of approximately NOK 4.2 million, ref. note 6 to the financial statements.

The Board emphasises that the liquidity situation represents a challenge going forward, and hence Nordic Mining is evaluating alternatives to ensure adequate liquidity for its prioritized project activities and provide for future financial strength and flexibility. The assessment includes considering to attract industrial or financial investors/partners at project level in order to progress with value increasing activities and/or realization of assets. This may possibly lead to changes in the Group's project portfolio.

The Board emphasises that there are elements of risk related to further financing and the realization of strategic alternatives, and consequently to the long term ability to continue as a going concern. A comprehensive discussion of risk factors is included in the annual report for 2012, ref. the report from the Board of Directors and the note information in the annual report. The Board also underlines the fact that Nordic Mining in the whole period from its establishment in 2006 mainly has been financed by equity from shareholders. Although there are no guarantees that further equity financing will be available, the Board has confidence that Nordic Mining will be able to find solutions to the current financial challenges and move forward with the projects.

Main activities in the first quarter 2013 and in the period up till the reporting date

Nordic Rutile / Engebø project - rutile/titanium dioxide

General project information

Through its wholly owned subsidiary Nordic Rutile, Nordic Mining intends to establish an industrial production of rutile concentrate (TiO_2) based on its rutile deposit at Engebø in Naustdal municipality in Norway.

Rutile is an environmentally friendly mineral and important titanium feedstock. It is considered a strategic mineral by the EU. Rutile is a high-end raw material used in the production of environmentally friendly pigments for paint, plastics and paper, and in the production of titanium metal. Rutile is of a major industrial importance and has a number of applications within health and medicine, environmental technologies and consumer products. Due to its high bio-compatibility titanium is particularly suitable and demanded in prosthesis and implants for the human body.

The mineral deposit at Engebø also contains significant quantities of garnet, and Nordic Mining plans to produce high quality garnet as a by-product. Garnet has various industrial applications and can replace industrial sands containing free silica which is harmful for health and environment.

Nordic Mining strives to ensure environmentally friendly extraction, production and shipping, as well as a sustainable solution for disposing of mineral residues.

Industrial area plan and permit for waste disposal

The municipality boards in Naustdal and Askvoll approved the industrial area plan for the planned rutile production at Engebø in May 2011. In June 2011 the county governor of Sogn and Fjordane forwarded the industrial area plan, including an objection from the Directorate of Fisheries to the Ministry of the Environment for a decision. The county governor recommended approval of the plan.

Since then, the Ministry of the Environment has considered the objection to the industrial area plan, and the application for a discharge permit for the project. The Ministry has received recommendations and advice from other ministries and its subordinate agencies, the Climate and Pollution Agency and the Directorate for Nature Management. The Ministry of Trade and Industry recommends that the industrial area plan is approved and that an initial permit for waste disposal is granted based on a tailings disposal up to a threshold level of the fjord at -220 meter. For waste disposal permit extending the threshold level, the Ministry of Trade and Industry recommends that additional flow investigations and model calculations are executed, and that supplementary information is submitted regarding processing agents. The recommendation from the Ministry of Trade and Industry coincides well with an alternative solution presented by the Climate and Pollution Agency to the Ministry of the Environment.

Despite the comprehensive environmental impact assessments undertaken by Nordic Mining, the strong local and regional political support for the project, the considerable positive regional effects for industries and the society in general, and the recommendation from the Ministry of Trade and Industry, the Ministry of the Environment in March 2013 requested supplementary information for its final consideration. The Ministry's request for supplementary information is related to e.g. sea water circulation, solution for mineral residue disposal, use of fresh water etc. Although the Ministry has requested supplementary information, Nordic Mining perceives a broad political consensus that a sea disposal will represent an environmentally appropriate storage solution for the mine tailings from Engebø.

Nordic Mining has an ongoing dialogue with the local municipalities. The municipalities have demanded predictability and progress for the Engebø project. Discussions are ongoing with the Ministry of the Environment in order to secure a time and cost efficient process in general and specifically related to the areas where the Ministry has requested supplementary information. The purpose of a dialogue is to improve predictability for a final permitting of the project. Nordic Mining will focus on clarifying how the Ministry's wish for more information may be accommodated in order to achieve a joint solution which will ensure a sustainable realization of the vast values that the Engebø project will bring to the society.

Commercial status

Rutile is an important strategic mineral with a significant number of applications within the pigment industry, in health and medicine, in environmental technologies, and in various consumer products. The market for rutile products has developed very positively the last years. The price level for rutile is currently around USD 1,700 - 2,000 per tonne FOB Australia for bulk products. This is 3 - 4 times the price level by year-end 2010.

The markets for titanium feedstock, i.a. rutile, are affected by the general development of the global economy. Compared with industrialised countries, emerging economies like for example China and India, have a low consumption of titanium products per capita. Future demand for titanium feedstock is expected to be higher than the supply as new production capacity is expected to be restricted. Overall this provides grounds for a positive long-term market outlook.

Europe has a significant supply deficit in titanium feedstock. Currently, the main volumes of rutile and other feedstock into Europe come from Australia, Africa and North-America. For industrial customers in Europe supply from Engebø would represent a substantial logistical advantage compared to overseas alternatives.

Applications for rest minerals

Nordic Mining has implemented several activities to assess potential products and applications for mineral residues from the production process at Engebø. Mineral residues are inert minerals without any heavy metals or radioactive elements, and have been approved as capping materials for contaminated sediments, e.g. in harbors and other polluted areas. This may represent a significant market segment in both Norway and Europe. Further, the mineral residues are considered in various concrete applications, as a soil conditioner, and as raw material for various construction purposes. The deep water port facilities at Engebø and the short distance to the European markets represent a significant logistical advantage also for the commercial use of mineral residues.

In the future, various by-products from mineral residues may represent an important additional value for the Engebø project, financially, and with regard to new industrial activity. Consequently, the need to dispose of tailings would be reduced.

Gudvangen Stein - anorthosite

Current market segments

The sales volume in the first quarter was 39,000 tonnes (37,000 tonnes), in line with normal seasonal variations.

The stonewool insulation industry is the largest market segment for Gudvangen Stein (approximately 70% of the sales volume in 2012). There is an increasing focus nationally and internationally on insulation and energy efficiency in buildings and other technical installations. Gudvangen Stein targets to be a preferred, long-term supplier of high quality raw material for stonewool production.

Development and test work related to anorthosite in asphalt aggregates are ongoing in several European countries. The purpose is to develop improved solutions for lighter road surface in order to increase traffic safety and reduce street lightning investments. Gudvangen Stein will evaluate its position with regard to a possible growth in the asphalt aggregates market segment.

Operational issues

Production volume in the first quarter was 44,000 tonnes (24,000 tonnes). The low production last year was due to a seven weeks lay-off period. The operation in the first quarter was affected negatively by two consecutive breakdowns in the secondary crusher. The crusher was out operation for approximately two weeks. As from the end of February the production was resumed orderly and has since then been stable and efficient.

Positive progress in the alumina project

Nordic Mining and Institute for Energy Technology (IFE) have produced high-grade alumina from the Gudvangen anorthosite. The production has been done in laboratory at moderate process conditions which means low temperature, atmospheric pressure and with moderate acids. The alumina content of the Gudvangen anorthosite is approximately 30%, and thus, anorthosite is potentially a major alumina source.

The development work in 2012 focused primarily on optimisation of the leaching process to extract the alumina from the anorthosite. Efforts were also made into testing of by-products from the process stream, and to regenerate acid for recirculation. The results from leaching of alumina were positive, showing effective leaching of approximately 95% alumina within few hours.

A process evaluation indicates that it is feasible to recover at least 70% of the acid consumed in the metal extraction process and up to 99% of the acid specifically used in connection with the alumina purification. The results will have significant impact on the processing costs, and thus on the total project economics. Laboratory test work has also proved that a high quality precipitated calcium carbonate concentrate (PCC) and silica are formed as by-products from the process.

Pilot scale testing of the process in a lab is scheduled for June 2013. This will give increased confidence in the process viability. Focus will also be on optimising the purity of alumina and by-products, as well as minimising acid loss. Evaluation of project economics will be an integral part of the overall project development and assessment. The project is planned to be finalised in the fall of 2013.

Nordic Quartz - high-purity quartz

General project information

In 2011, Nordic Mining entered into an agreement with landowners and secured exclusive rights for the investigation and development of a quartz deposit in Kvinnherad municipality in Norway. Studies and tests show that the quartz has a low content of contaminants and therefore can be regarded as high-purity type quartz. Nordic Mining's wholly owned subsidiary Nordic Quartz is a vehicle for the Group's development work related to quartz.

Comprehensive analysis and processing tests have been executed based on samples from different parts of the quartz vein. Product qualities at the level of the purest and best products in the market were obtained for all the samples. Melting tests also showed that glass of highest market quality could be produced from the samples.

Geophysical measuring of the quartz deposit in 2012 has indicated a larger extension of the quartz vein, both horizontally and vertically, than previous studies. The indicated wider parts of the quartz vein will be further investigated by surface mapping. The actual depth of the vein and the down dip quality will be verified by drilling and analysis.

Scoping study

In 2012, Dorfner Anzaplan carried out an independent preliminary evaluation (scoping study) of the high-purity quartz project. The scoping study described the development status of the deposit including a review of previous work and studies; e.g. exploration, geology, deposit size, processing etc. Further, the study gave a general description of the deposit location and its characteristics, a proposed mining and processing method for the quartz, and a preliminary economic analysis. The scoping study gave principal recommendations and described various risk factors to be considered in the project development process going forward.

The Kvinnherad quartz deposit is considered to contain raw quartz sufficient for minimum 60 years of production of high purity quartz products at a rate of 5,000 tonnes per year. The scoping study outlined an industrial base case with a mine life assumption of 30 years, estimated investments of approximately USD 50 million, a preliminary net present value after tax of USD 60 million based on an 8% discount rate, and an undiscounted payback period of 4.3 years.

Further project proceedings

Nordic Mining is following up on various commercial and industrial contacts, mainly in Asia and Europe. Although the demand for high-purity quartz products is currently restricted and the existing producers are adjusting production to an intermediary lower demand, the long-term outlook for quartz products in advanced industrial applications is positive. Nordic Mining will strive to position the Kvinnherad quartz project internationally with a long-term perspective.

Keliber - lithium/lithium carbonate

General project information

Through Keliber in Finland, Nordic Mining has deposits of high quality lithium mineral suitable for extraction and production of high-purity lithium carbonate. Lithium carbonate has a variety of industrial applications, i.a. for batteries which takes up an increasing share of the total global consumption. Following from the private placement of €4 million in October 2012 Nordic Mining has retained a shareholding of approximately 38% and remains the largest shareholder in Keliber.

Positive preliminary results from ongoing drilling program

In October 2012, Keliber acquired the Leviäkangas and Syväjärvi lithium deposits from the Finnish government. The two deposits are located adjacent to Keliber's other activity. The Leviäkangas and Syväjärvi deposits have previously been investigated by the Geological Survey of Finland (GTK), i.a. with a total of 9,400 meter of core drilling. A comprehensive drilling program was started soon after the acquisition of the deposits for infill and supplement to the previous GTK data.

Keliber commenced drilling at Leviäkangas in November 2012. In total 23 drilling holes (approximately 2,000 meters) have been drilled. Analysis of drill core assays has been executed. The lithium content in the best intercepts varies between 0.9 – 1.6% Li_2O.

In January 2013, drilling started at Syväjärvi. So far close to 50 drilling holes (approximately 3,700 meters) have been drilled. With only a few exceptions, the drill holes have intersected spodumene pegmatite ranging from 3 to 36 meters width. Some of the holes have two substantial spodumene pegmatite intersections. Analysis of drill core assays is ongoing. The weighted average lithium content for the first analysed batches is around 1.3% Li_2O.

Update on JORC compliant resource estimates from Leviäkangas and Syväjärvi are expected in May 2013.

Oslo, 7 May 2013
The Board of Directors of Nordic Mining ASA

CONDENSED CONSOLIDATED INCOME STATEMENTS

(Amounts in NOK thousands)	Note	2013 01.01-31.03 Unaudited	2012 01.01-31.03 Unaudited	2012 01.01-31.12 Restated (1)
Sales		**4 367**	4 490	24 580
Other income		**225**	82	1 282
Cost of sales		**571**	(1 268)	(5 733)
Payroll and related costs	1	**(4 132)**	(3 247)	(16 424)
Office costs and business service fee	4	**142**	(670)	(2 240)
DD&A		**(610)**	(674)	(2 744)
Impairment		**-**	-	(4 000)
Other operating expenses		**(5 831)**	(5 346)	(24 781)
Operating profit/(loss)		**(5 268)**	(6 633)	(30 060)
Share of profit of an associate		**(652)**	-	(702)
Financial income		**7**	15	471
Financial costs		**(250)**	(429)	(1 310)
Profit/(loss) before tax		**(6 163)**	(7 047)	(31 601)
Income Tax		**-**	-	32
Loss from continuing operations		**(6 163)**	(7 047)	(31 569)
Loss from discontinued operations	2	**-**	(667)	(4 971)
Loss for the period		**(6 163)**	(7 714)	(36 540)
Profit/(loss) attributable to				
Equity holders of parent		**(6 163)**	**(7 478)**	(35 404)
Non-controlling interest		**-**	**(236)**	(1 136)
Earnings per share attributable to ordinary shareholders				
(Amounts in NOK)				
Basic and diluted earnings per share for continuing operations		**(0,03)**	**(0,04)**	(0,17)
Basic and diluted earnings per share for discontinued operations		**-**	**(0,00)**	(0,02)
Basic and diluted earnings per share		**(0,03)**	**(0,04)**	(0,19)

(1) Restated for the implementation of IAS 19R as described in note 1.

STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in NOK thousands)	**2013 01.01-31.03 Unaudited**	2012 01.01-31.03 Restated	2012 01.01-31.12 Restated [1]
Net profit/(loss) for the period	**(6 163)**	(7 714)	(36 540)
Other comprehensive income:			
Currency translation differences	**421**	(648)	(1 589)
Reclassification of translation adjustment	-	-	1 998
Changes pension estimates	-	-	1 035
Other comprehensive income directly against equity	**421**	**(648)**	1 444
Total comprehensive income for the period	**(5 742)**	**(8 362)**	(35 096)

(1) Restated for the implementation of IAS 19R as described in note 1.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in NOK thousands)	**Note**	***31.03.2013*** **Unaudited**	*31.12.2012* Restated [1]
ASSETS			
Non-current assets			
Licences		**6 215**	6 136
Minerals, property, plant and equipment		**14 500**	14 813
Investment in associate	2	**23 219**	23 450
Other long-term assets	1	**493**	244
Total non-current assets		**44 427**	44 643
Current Assets			
Inventory		**4 116**	2 806
Trade and other receivables		**3 227**	5 431
Cash and cash equivalents		**3 976**	6 164
Total current assets		**11 319**	14 401
Total assets		**55 746**	59 044
SHAREHOLDERS' EQUITY & LIABILITIES			
Shareholders' equity			
Share capital	5	**19 444**	18 547
Share premium	5	**210 047**	206 821
Other paid-in capital		**8 856**	8 856
Retained losses		**(204 408)**	(198 246)
Other comprehensive income	1	**1 040**	619
Equity attributable to ordinary shareholders		**34 979**	36 597
Non-controlling interest		**-**	-
Total equity		**34 979**	36 597
Non-current liabilities			
Interestbearing loan		**6 167**	6 417
Lease obligations		**2 925**	3 522
Other liabilities	1	**384**	509
Total non-current liabilities		**9 476**	10 448
Current liabilities			
Current portion of long-term debt		**3 356**	3 334
Trade Payables		**4 772**	5 168
Other current liabilities		**3 163**	3 497
Total current liabilities		**11 291**	11 999
Total liabilities		**20 767**	22 447
Total shareholders' equity and liabilities		**55 746**	59 044

(1) Restated for the implementation of IAS 19R as described in note 1.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Unaudited

	Attributed to equity holders of the parent						Non - controlling interest	Total equity
(Amounts in NOK thousands)	**Share capital**	**Share premium**	**Other-paid-in capital**	**Other comprehensive income**	**Accumulated losses**	**Total**		
Restated [1] for 1 Quarter 2012:								
Equity 1 January 2012	**14 547**	**177 416**	**7 033**	**(600)**	**(162 842)**	**35 554**	**8 315**	**43 869**
Total comprehensive income	-	-	-	(486)	(7 478)	(7 964)	(398)	(8 362)
Share issue	4 000	32 000	-	-	-	36 000	-	36 000
Transaction costs	-	(2 595)	-	-	-	(2 595)	-	(2 595)
Equity 31 March 2012	**18 547**	**206 821**	**7 033**	**(1 086)**	**(170 320)**	**60 995**	**7 917**	**68 912**
Equity 1 January 2013	**18 547**	**206 821**	**8 856**	**619**	**(198 246)**	**36 597**	**-**	**36 597**
Total comprehensive income for the period	-	-	-	421	(6 163)	(5 742)		(5 742)
Share issue	897	5 381	-	-	-	6 278	-	6 278
Transaction costs	-	(2 154)	-	-	-	(2 154)	-	(2 154)
Equity 31 March 2013	**19 444**	**210 047**	**8 856**	**1 040**	**(204 409)**	**34 979**	**-**	**34 979**

(1) Restated for the implementation of IAS 19R as described in note 1.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
For the period ended 31 March

(Amounts in NOK thousands)	***2013*** ***01.01-31.03*** ***Unaudited***	*2012* *01.01-31.03* *Restated* [(1)]
Net cash used in operating activities	**(5 110)**	(8 418)
Purchases of property, plant & equipment	**(296)**	(143)
Purchases of intangible assets	**(79)**	(124)
Other	**-**	-
Net cash used in investing activities	**(375)**	(267)
Share issuance	**4 122**	33 405
Payments of loans	**(250)**	(250)
Principal payments on finance leases	**(575)**	(681)
Net cash from financing activities	**3 297**	32 474
Net change in cash and cash equivalents	**(2 188)**	23 789
Effect of changes in foreign exchange rates	**-**	110
Cash and cash equivalents at beginning of period	**6 164**	3 340
Cash and cash equivalents at end of period	**3 976**	27 239

(1) Restated for the implementation of IAS 19R as described in note 1.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

Note 1 – ACCOUNTING PRINCIPLES

These interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". They do not include all of the information required for full annual financial reporting, and should be read in conjunction with the consolidated financial statements of Nordic Mining ASA and the Group for the year ended 31 December 2012.

This report was approved by the Board of Directors on 7 May 2013.

The accounting policies adopted are consistent with those followed in the preparation of the Company's and the Group's annual financial statements for the year ended 31 December 2012.

Nordic Mining implemented IAS 19R on 1 January 2013. The changes have been made with retrospective application. The main changes to previously reported numbers are shown in the table below.

(Amount in NOK thousands)	As reported	Implementation effect IAS 19R	As restated
Opening equity 01.01.12	45 143	(1 274)	43 869
Loss after tax Q1 2012	(7 700)	(14)	(7 714)
Loss after tax full year 2012	(36 479)	(60)	(36 539)
Equity - other comprehensive income 31.12.12	(416)	1 035	619
Equity 31.12.12	36 897	(300)	36 597
Net pension asset/liability	35	(300)	(265)

Note 2 – DISCONTINUED OPERATIONS

2012:

In September 2012, Nordic Mining and the other shareholders in Keliber entered into an agreement with new investors related to a private placement in Keliber with cash proceeds of €4 million. The agreement was conditioned, and the transaction was completed in October 2012.

Following from the transaction, Nordic Mining's shareholding in Keliber has been reduced to 38%. As Nordic Mining no longer has a controlling interest in Keliber, the shareholding was classified as shares in an associated company and initially recognised at an estimated fair value of NOK 24.6 million on the balance sheet.

Discontinued operations

The transactions in Keliber leading to loss of control of subsidiary and classification as investment in associate are in the consolidated financial statements presented as discontinued operations.

The following table specifies amounts from the condensed income statements that have been reclassified to loss from discontinued operations:

Amonts in NOK thousands	01.01-31.03 2013	01.01-31.03 2012	01.01-31.12 2012
Other income	-	14	14
Payroll and related costs	-	(282)	(1 347)
DD&A	-	(25)	(79)
Other operating expenses	-	(301)	(1 387)
Operating loss	**-**	**(594)**	**(2 799)**
Other costs/income	-	(73)	(278)
Loss from discontinued operations before re-measurement to fair value	**-**	**(667)**	**(3 077)**
Impairment	-	-	(420)
Loss on disposal	-	-	(1 474)
Total loss for discontinued	**-**	**(667)**	**(4 971)**

Note 3 – SEGMENT

The Group shows segments on the basis of products or products under development. The three reportable segments are:

- Anorthosite which is produced by Gudvangen Stein.
- Quartz which can be produced from the quartz deposit in Kvinnherad. A scoping study executed in 2012 outlines the potential for a profitable industrial quartz project.
- Titanium feedstock which can be produced by Nordic Rutile from the mineral deposit at Engebøfjellet; the Ministry of the Environment considers the industrial area plan for the project and the application for waste disposal.

As a result of the reduced shareholding and loss of control in Keliber the investment in Keliber is classified as an investment in an associate. Following from this, lithium is no longer a reportable segment in the Group. The quartz segment was a new reportable segment in the Q4 2012 report, and was recognised as a reportable segment as a result of positive scoping studies and plans for increased exploration activities. The segment reporting and comparable numbers from last year have been updated to reflect the Group's new segment structure.

The reconciling column "Adjustments and eliminations" includes the Group's administration costs and other unallocated corporate business development costs as well as elimination entries related to preparing consolidated financial statements. The Group uses the segments' profit/(loss) before tax as the basis for the segment results including some allocations of corporate expenses but excluding purchase price allocations related to business combinations. All the numbers in the table below are in NOK thousands and present the period 1 January – 31 March.

	Anorthosite		**Quartz**		**Titanium**		**Adjustments and eliminations**		**Consolidated**	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Revenues	**4 367**	4 490	**-**	-	**-**	-	**-**	-	**4 367**	4 490
Segment result	**(2 912)**	(2 281)	**(285)**	(130)	**(1 496)**	(3 482)	**(1 470)**	(1 154)	**(6 163)**	(7 047)

Note 4 – TRANSACTIONS WITH RELATED PARTIES

Nordic Mining has a business service agreement with Dag Dvergsten AS for i.a. office rental and administrative support functions. The Company's board member Tore Viana-Rønningen is employed in Dag Dvergsten AS. In the first quarter, Nordic Mining has reconciled the inter-company balance with Dag Dvergsten AS resulting in a positive cost adjustment of approximately NOK 0.1 million (NOK -0.7 million).

Note 5 – EQUITY ISSUE

Number of shares in thousands	**Ordinary shares**
Opening balance 1 January 2013	**185 470**
Share issuance	8 966
Closing balance 31 March 2013	**194 436**

On 26 February 2013, Nordic Mining executed a private placement of 8,966,017 shares directed towards existing shareholders and Norwegian investors. The subscription price was NOK 0.70 per share, resulting in gross proceeds of NOK 6,276,212. The net proceeds was approximately NOK 4.1 million after deducting directly attributable transaction costs of NOK 2.1 million.

For further information of equity issues, please see note 6 Subsequent events.

Note 6 – SUBSEQUENT EVENTS

Subsequent offering

On 8 April 2013, Nordic Mining concluded a subsequent offering of 6,068,697 shares which were subscribed at a subscription price of NOK 0.70 per share. The subsequent offering raised gross proceeds of NOK 4,248,088. The net proceeds from the subsequent offering were approximately NOK 3.9 million.

After the equity issues in February (ref. note 5) and April 2013 Nordic Mining's share capital is NOK 20,050,480.50 consisting of 200,504,805 shares, each with a nominal value of NOK 0.10.

Annual report 2012

Nordic Mining's annual report for 2012 was published 30 April 2013. The report is available on the Company's webpage www.nordicmining.com.