Updated Definitive Feasibility Study for Engebø confirms reduction of initial investment of USD 93 million and improved environmental performance

Nordic Mining ASA ("Nordic Mining") has completed the Updated Definitive Feasibility study ("UDFS") for the Engebø Rutile and Garnet project ("the Project"). The UDFS is an update of the DFS which was completed in January 2020. As a consequence of the COVID-19 pandemic and uncertainties related to the markets for rutile and garnet, and the opportunities for securing project financing, Nordic Mining decided in spring 2020 to undertake a Value Engineering review to make the Project more resilient.

The updated study documents Engebø as a sustainable and economically robust mineral project with reduced financing risk, improved financial resilience, and attractive financials returns.

The key results are provided in this release and in the attached UDFS Executive Summary. The Executive Summary and the UDFS presentation will be available on www.nordicmining.com.

At 10.00 (CET) today, Nordic Mining will host a webcast presentation of the UDFS. Further details regarding the presentation and the webcast are provided below.

The main improvements and risk-reducing measures in the UDFS are:

- Reduced environmental footprint; 99% reduction in consumption of approved chemicals in the production process (compared with the 2016 environmental permit), around 80% reduction of CO_2 emissions and approximately 40% reduction of the process plant facilities footprint compared with the DFS

- Contract and execution strategy based on EPC partnerships and early vendor engagement

- Stick-build construction methodology and improved ore flow logistics

- Reduced initial investment needed to realize the project from USD 311 million to USD 218 million, maintaining a Run-of-Mine (ROM) of 1.5 Mtpa

- Reduced process operating cost by more than 25% following from flowsheet optimizations, including reduction in energy costs from use of electrical dryers for drying of minerals

- Improved mining design for open pit and underground focusing on practical and cost-effective operations. Mining schedule in open pit has been optimized for the initial years and the underground mining schedule targets higher grades and a simplified infrastructure

- Reduced market risk based on post-pandemic market forecasts for rutile and garnet, retaining flexibility to increase garnet production in line with increasing demand

- Attractive project economics with considerable reductions in market, financing, and execution risks

Key economic figures:

    - Pre-tax NPV@8% of USD 355 million
    - Pre-tax IRR 22.5%
    - Post-tax NPV@8% of USD 260 million
    - Post-tax IRR 19.8%

- High-margin cash flow and short pay-back support bankability:

    - Initial capital investment of USD 218 million
    - 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

- Optimized schedule and dual mineral production provide competitive strength:

    - Outcropping and geotechnically stable orebody
    - Low stripping ratio (waste to ore ratio) of 0.6 in open pit
    - High-grade rutile and garnet
    - Short distance and gravity supported ore transportation minimize transportation
    - 1st quartile revenue-to-cash cost position for rutile

- Optimized mining plan and scheduling support an initial 39 years Life of Mine:

    - 15 years of open pit mining and high-grade processing, and stockpiling of medium/low-grade ore
    - 19 years underground production
    - 6 years production based on stockpiled ore
    - Extension of Life of Mine expected based on substantial inferred resources

- All permits granted:

        - Extraction permits for the whole deposit
        - Operational license for open pit and underground mining
        - Landowner agreements for open pit, infrastructure, and process plant areas
        - Detailed zoning plan
        - Environmental permit

- High environmental and social standards in accordance with IFC Performance Standards and relevant Equator Principles

Comments from Nordic Mining

CEO Ivar S. Fossum comments:

"The UDFS summarizes significant improvements and de-risking of the Project that will make it an attractive, long-term investment. The combination of reduced financing needs and environmental improvements underpins a sustainable project. Engebø will enable strategic market positions in both titanium and garnet.

The Project will be developed in accordance with high international standards for environment, health, and safety. We have taken initiatives to strengthen stakeholder dialogues and to monitor and mitigate environmental effects."

Activities going forward

Dialogues with market partners for rutile and garnet are proceeding towards finalization of offtake agreements on bankable terms and conditions. Subject to financing, construction will start in the second half of 2021.

UDFS webcast presentation and Executive Summary

The UDFS will be presented today at 10.00 (CET) followed by a Q&A session.

The presentation and Q&A session will be held in English and transferred via webcast. There will be opportunity to post questions online throughout the webcast session. The webcast will be available on:
https://channel.royalcast.com/landingpage/hegnarmedia/20210511_12/

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

Oslo, 11 May 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 14.3% 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 Oslo Euronext Expand with ticker symbol "NOM".