



Nordic Mining ASA (EN Expand:NOM) - Interim report per 30 June 2022

Please find enclosed Nordic Mining's interim report and company presentation for the second quarter of 2022. The interim report and company updates will be presented digitally today, Tuesday 16 August 2022 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/20220816_2/

Summary of important events in the second quarter of 2022 and year to date:

KEY EVENTS

- Keliber stake agreed sold for EUR 46.9 million to Sibanye Stillwater Limited
- Early construction progresses at Engebø, following acquisition of properties at Engebø
- Engebø rutile documented as most climate friendly titanium feedstock
- Binding Offtake Agreement and USD 20 million Investment Agreement signed with Iwatani
- Final decision on operating license from Ministry of Trade, Industry and Fisheries

CORPORATE

New Commercial Director appointed to Group Management

The Group's new Commercial Director Maurice Kok took up his position effective from 1 August 2022.

Keliber stake agreed sold for EUR 46.9 million; funds to be used toward Engebø Rutile and Garnet

In June Nordic Mining ASA accepted to sell its shares in Keliber Oy ("Keliber") to Sibanye Stillwater Limited ("SSW") for a cash consideration of EUR 157.28 per share, in total EUR 46.9 million, under a voluntary offer ("Voluntary Offer") provided by SSW to the shareholders of Keliber. SSW's offer, which was made based on an independently calculated fair market value as determined by two leading independent investment banks, Royal Bank of Canada and Bank of Montreal, was around 15% above of the Group's fair value assessment of the investment as per Q1 2022 of EUR 137 per share.

Nordic Mining has been a pioneer in the development of production of battery grade lithium in Europe, with the first investment in Keliber in 2008 up to the last investment in February 2021, in relation to the initial phased equity investment of EUR 30 million in Keliber from SSW. The sale will result in a gain of close to NOK 410 million, excluding any sales costs and assuming foreign exchange rate as per 30 June 2022. This means a return of over 540% on the historical investment of around NOK 75 million. Please see note 4 for further information.

The sale of the shares is expected to close in Q3 2022, and the funds will be contributed as equity towards the project financing for Engebø Rutile and Garnet, which is expected to be in excess of USD 250 million comprising of debt, equity and potential hybrid capital or royalty.

ENGEBØ RUTILE AND GARNET PROJECT (100% ownership)

Early construction progresses at Engebø

In April 2022 Nordic Mining started early construction works at Engebø, following the acquisition of the main properties. The early construction works is undertaken by EPC1, Sunnfjord Industripartner AS ("SIPA"), under the lump-sum EPC ("Engineering, Procurement and Construction") contract signed in November 2021. In total around 1,300 meters of construction road has been constructed. This will allow transportation of soil and stone up to a mass deposit, which has been set up at Stommelshaugane to start after summer holidays. Structures and constructions from previous industrial activity at the process plant area has been removed and prioritized building mass has been demolished to prepare for upper process plant area leveling. Forest, mainly Sitka spruce, has been cleared from the area immediate to the construction road and the tunnel portal. Levelling of the lower process plant area is almost complete, and rerouting of the high voltage line in near future, makes it possible to start with construction and blasting work on upper process plant area. Progress has been made on the Detail Engineering by the EPCs under the lump-sum EPC contracts. The early works secures important project developments that enables optimizations - and reduces risk on the construction schedule.

Engebø rutile documented as most climate friendly titanium feedstock

Minviro, UK has carried out an independent Life Cycle Assessment ("LCA") of the rutile product to be produced at Engebø Rutile and Garnet. The LCA was a cradle-to-gate assessment of the production of natural rutile concentrate from Engebø and covers all production stages from the mine to the final product. The study included calculations of the Global Warming Potential ("GWP") and the Water Scarcity Footprint. The study showed that rutile from Engebø is superior in terms of carbon footprint and water scarcity compared to other titanium feedstocks globally, including natural and synthetic rutile, and titanium slag.

Binding Offtake Agreement and USD 20 million Investment Agreement signed with Iwatani

In June, Nordic Mining ASA, through its wholly owned subsidiary Nordic Rutile AS, entered into a 5-year rutile offtake agreement with Iwatani Corporation ("Iwatani"), a reputable Japanese trading house. Iwatani will as part of the agreement make an equity investment of NOK 191.7 million, corresponding to USD 20 million at the time of the signing of the agreement, in Nordic Mining ASA for the Engebø Rutile and Garnet Project.

Highlights of the agreements executed with Iwatani:

- Long-term offtake for sale of 20,000 tonnes per annum of natural rutile from the Engebø Project over 5 years based on the market price for 95% natural rutile concentrate, adjusted for actual TiO₂ content
- Equity investment of NOK 191.7 million at the same subscription price as for the contemplated broader equity raise, subject to close of the project financing package for the Engebø Project

The offtake is subject to certain conditions relating to the equity investment in the Company having been fulfilled and inter alia subject to certain conditions precedent that must be satisfied by 31 March 2023.

Final decision on operating license from Ministry of Trade, Industry and Fisheries

In May 2022, the Ministry of Trade, Industry and Fisheries ("MTIF") confirmed that Nordic Mining's operating license is maintained as granted with full rights to the Engebø deposit, supporting the resolution from the Directorate of Mining ("DirMin"). The decision from the MTIF is final and cannot be appealed.

Further to the decision from MTIF, DirMin rejected in June 2022 several claims filed by Arctic Mineral Resources AS ("AMR"). AMR has applied for an operational license for mining

of garnet and other minerals from the Vevring properties at Engebø. AMR's application covers an area that is comprised by the extraction rights and the operational license granted to Nordic Rutile. DirMin rejected AMR's application for an operational license since Nordic Rutile has exclusive rights to the eclogite containing titanium in the area.

Moreover, DirMin rejected AMR's claim that DirMin pursuant to section 32 of the Norwegian Minerals Act shall assess whether or not the garnet in the eclogite can be utilized independently. DirMin has reasoned its rejection by stating the fact that the entire eclogite, including all minerals contained therein, is comprised by Nordic Rutile's exclusive extraction rights to minerals owned by the state.

The appeal hearing in the case against AMR is scheduled to take place 19–28 September 2022 in Borgarting Court of Appeal. Nordic Rutile will continue to defend the case rigorously and maintain that AMR's claims have no merit, which is supported by the decisions from MTIF and DirMin.

Taking action to ensure sustainability

Nordic Mining is taking a proactive approach to ensure that the Engebø project will be developed based on high standards for sustainability. A comprehensive Environmental and Social Management System ("ESMS") is currently being implemented for the Project. Important management plans that have been finalized in Q1 2022. The Extractive Waste Management plan was submitted to the Environment Agency for approval in Q2. A Biodiversity Action Plan is being developed together with DNV. The Group has set an ambitious goal of biodiversity net-gain for the Engebø Project over life of mine. The plan includes measures to continuously work to reduce, restore, and compensate biodiversity loss at the mine site.

An environmental monitoring program using state of the art technology has been put in place at Engebø to monitor environmental effects from construction activities. The aim is to during construction supervise airborne dust, vibrations and noise, and risk for emissions to fjord surface water and freshwater bodies.

Q2 remained firm for both TiO2 pigment production and titanium metal

Second quarter showed strong market conditions for titanium dioxide pigment and the overall industry utilization rates remained high. All the major pigment producers reported increased sales and strong EBITDA margins for Q2. This resulted in remaining strong feedstock demand. The war in Ukraine still restricts rutile and ilmenite supply and therefore buyers of feedstock favor Western suppliers of titanium feedstock. The TiO2 pigment inventory levels remained low in Q2 and below seasonal norms.

When it comes to titanium metal, aerospace application demand is increasing due to revival of air traffic as well as demand for non-Russian products. Further, there is continuous strong demand for titanium metal into general industrial and semiconductor applications.

Reported natural rutile prices in H1 2022 has been in excess of USD 1,500/mt FOB, with main producers expecting to continue to pricing increase in H2 2022.

There is ongoing growth in demand for high quality garnet in both waterjet cutting and abrasive blasting. Drivers are mainly the investments in infrastructure, oil and gas industry as well as shipbuilding and manufacturing. The aerospace industry is an important driver as well. Nordic Mining is experiencing strong interest for garnet from Engebø and is in process to finalize a long-term offtake agreement.

KELIBER LITHIUM PROJECT (12.0% ownership per Q2 2022)

Sibanye-Stillwater secures majority shareholding and proposes to increase shareholding to 80%

In June, SSW exercised their pre-emptive right to increase its shareholding in Keliber to 50% plus 1 share at a total subscription price of EUR 145.8 million. The share issue was

approved in an extraordinary general meeting in Keliber on 11 July, and the total subscription amount of EUR 145.8 million was paid by SSW later in July, diluting Nordic Mining's ownership in Keliber from 12.0% to around 8.6%. In parallel with the exercise of the pre-emptive right, SSW made a Voluntary Offer for a cash consideration of EUR 157.28 per share to the minority shareholders of Keliber, other than the Finnish Minerals Group, which target to increase its shareholding in Keliber to 80%.

Keliber reports maiden mineral resource estimate for new Tuoreetsaaret deposit

In June, Keliber reported that they have discovered a new lithium deposit, Tuoreetsaaret, located between the Rapasaari and Syväjärvi deposits. The maiden Mineral Resource estimate for the Tuoreetsaaret deposit was completed in June 2022. The Mineral Resources (all Inferred) of Tuoreetsaaret are 1.41 million tonnes with an average grade of 0.70% Li₂O, which increases Keliber's total Mineral Resources by 9 percent, to 17.03 million tonnes (previously 15.62 million tonnes).

Keliber's Mineral Resource estimate for the new Tuoreetsaaret lithium deposit comply with the JORC 2012 code.

Keliber pilot-scale test programme results in high conversion rate of 96.3%

In June 2022, Keliber completed the first three phases of a four-phase pilot-scale test programme. The pilot-scale test programme resulted in average conversion rate of 96.3% in a continuous high-temperature conversion pilot trial performed in cooperation with FLSmidth.

Keliber states that the purpose of the test programme is to verify the functionality of the ore from the company's largest deposit, Rapasaari, at all stages of the process, from ore mining to the end-product lithium hydroxide. Keliber has previously performed a similar pilot-scale test programme using ore from Syväjärvi, the deposit where mining will start first.

Keliber's Lithium Project value increases by 220% to EUR 1.2 billion

In March 2022, Keliber released the Updated Definitive Feasibility Study ("UDFS") for the Lithium Project in Central Ostrobothnia, Finland. The UDFS to produce battery-grade lithium hydroxide ("LiOH") confirmed a solid financial and technical feasibility of Keliber's project, with significant improvements in the key financials compared to the Definitive Feasibility Study from 2019.

Key economic figures from Keliber's UDFS (numbers in brackets relate to the comparable numbers from DFS from 2019):

- Post-tax NPV@8% of EUR 1,228 million (EUR 384 million)
- Post-tax IRR 31% (24%)
- Payback period (from start of production) 3.5 years (4.1 years)

Nordic Mining owns 8.6% of the shares in Keliber at the time of this report. See Financial Performance and note 3 on fair value assessment of the investment in Keliber as per 30 June 2022.

Keliber's lithium hydroxide will have a smaller CO₂ footprint than majority of competitors' products

In March 2022 Keliber released the results of two emission analysis undertaken by the consulting company Wood Mackenzie based on analysis of seven existing or planned global lithium chemicals production chains and a Life Cycle Assessment ("LCA") undertaken by Vahanen Environment Oy, a Finnish environmental consultant. The comparative study indicates that Keliber's lithium hydroxide will have a smaller carbon footprint than most of the competitors' products, with the lowest emission intensity of 4.38 tonnes of CO₂/produced tonne of lithium hydroxide monohydrate (LiOH·H₂O). Keliber's total carbon footprint measured in the LCA is 10.0 t CO₂-eq/produced tonne of LiOH·H₂O. The LCA is according to Keliber a cradle-to-gate analysis that covers all production stages from the

mine to a finished product leaving the lithium chemical plant. The production from Keliber is planned to begin in 2024.

Oslo, 16 August 2022
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 8.6% 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 June 2022, Nordic Mining ASA accepted to sell its shares in Keliber to Sibanye Stillwater Limited ("SSW") for EUR 46.9 million. The sale is expected to close in Q3 2022.

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".