

Nordic Mining ASA (EN Expand:NOM): Interim report per 31 March 2023

Please find enclosed Nordic Mining's interim report and company presentation for the first quarter of 2023. The interim report and company updates will be presented digitally today, Wednesday 10 May 2023 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:

http://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20230510_6

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

KEY EVENTS

- Final investment decision for Engebø Project, following completion of project financing
- Nordic Rutile USD 100 million senior secured bond listed on Nordic ABM
- Engebø construction on track to start production in 2024
- Binding offtake agreements for full production of minerals for the first 5-years of production
- Memorandum of Understanding for offtake of pyrite
- Rutile demand weakened in Q1 due to subdued pigment demand
- Supreme Court to hear appeal by Artic Mineral Resources

CORPORATE

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 Nordic Rutile on 8 March 2023, satisfying all relevant financing conditions for the long stop date. The gross proceeds from the private placement, together with the equity from the sale of the shares in Keliber, the USD 100 million in senior secured bond issued by Nordic Rutile in November 2022 and USD 50 million non-dilutive royalty financing agreement entered into between Nordic Rutile and mining investment firm Orion Resource Partners ("Orion") in February 2023. The royalty agreement entails that Orion will pay USD 50 million to Nordic Rutile 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. Nordic Rutile 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 Nordic Rutile to draw down any amounts under the financing, including i.e. that all equity contributed to Nordic Rutile 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. The project financing package of in total USD 277 million is expected to fund all costs and expenditures to bring the Engebø Project into commercial production, including a project

reserve of USD 30 million.

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 PROJECT (100% ownership)

Nordic Rutile USD 100 million senior secured bond listed on Nordic ABM

In April 2023, Nordic Rutile AS USD 100 million 5-year senior secured bond with ISIN NO0012734112 was listed on Nordic ABM with ticker NORUT01 PRO with listing date 12 April 2023.

Engerbø construction on track to start production in 2024

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 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. The process plant area has been prepared for concrete work on the first two buildings, administration and control room building, and workshop, and we expect to prepare the remaining parts on bench level 22 on schedule during May 2023. Blasting of the underground crushing chamber and raise drilling of the vertical ore pass is well under way and we expect to complete the work on schedule during May. The mine access road to the open pit tunnel portal and is around 95% complete. Local EPC building contractor, Åsen & Øvrelid AS, has started the concrete work on the administration and control room building, and workshop and we expect that work on the remaining buildings will start in Q2 2023. Currently, the Project has around 70 workers at Engebø.

Detail Engineering on the process plant is ongoing by Nordic Bulk AS and Normatic AS. The main parts of the Details Engineering are expected to be completed in H1 2023, with subsequent bulk procurement and fabrication of steel to start in Q2 2023. This will allow start of mechanical and electric installation work and project team is now focusing on detail planning this phase together with the EPC partners. Further ramp-up of personnel on site is expected in this period.

The four lump-sum EPC contracts cover around 57% of the remaining plant and mine capital expenditure of USD 167 million as of 31 March 2023, excluding commitments of around USD 10 million.

The full financing and final investment decision of the Engebø Project in March 2023 allowed Nordic Mining 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, with start of the main mechanical installations expected during Q3 2023. In total, around 78% of the mechanical packages of around USD 30 million are under contract at the date of this report, with price and delivery agreed. The Project team is working with a plan for logistics and quality surveillance of the production.

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

In 2022, Nordic Rutile 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, Nordic Rutile entered into a global exclusive offtake agreement 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 weakened in Q1 due to subdued pigment demand

Titanium metal demand, being an important driver for rutile, remained robust in the first quarter of 2023, due to the ongoing revival of air traffic, as well as demand for non-Russian products. The outlook remains strong throughout 2023.

The first quarter 2023 showed a slower start for titanium feedstock producers. Rutile sales volumes were below or at production levels and reported average prices for rutile showed a diverse picture. The first quarter of 2023 has been mixed for the TiO₂ industry; however, in Asia, led by China, signs of recovery of pigment demand are reported. Pigment demand in North America remained steady whereas in Europe, reported demand was still weak. Rebound of pigment demand is projected as European pigment plants have re-started last quarter combined with the northern hemisphere spring paint season ramp up. Current inventories are low due to the actions taken in H2 2022

Reported bulk natural rutile prices in Q1 2023 have been from around USD 1,450/mt FOB and above, with the main producers expecting pricing to be steady onwards.

Supreme Court to hear appeal by Artic Mineral Resources

In April 2023 the Supreme Court's appeals committee informed that the appeal in the case between Artic Mineral Resources ("AMR") and Nordic Rutile AS ("NRU") will be heard before the Supreme Court. The Oslo District Court and the Borgarting Court of Appeal both ruled in favour of NRU and concluded that AMR shall pay NRU'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. NRU maintain that AMR's claims have no merit and will continue to defend the case rigorously and is confident that the ruling from the Supreme Court will be in NRU's favour, i.e. in line with the previous rulings. Furthermore, two NGO's have summoned the Norwegian Government claiming that Nordic Rutile's disposal permit granted by the Norwegian Government in 2015 is null and void.

Oslo, 10 May 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'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. 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".