



Minerals for a sustainable future



**NORDIC
MINING**

Q2 2023 interim presentation

15 August 2023

EUROPEAN
RAW MATERIALS
ALLIANCE

ERMA



SUSTAINABLE
DEVELOPMENT GOALS

Towards Sustainable Mining

Bærekraft i Norsk Bergindustri



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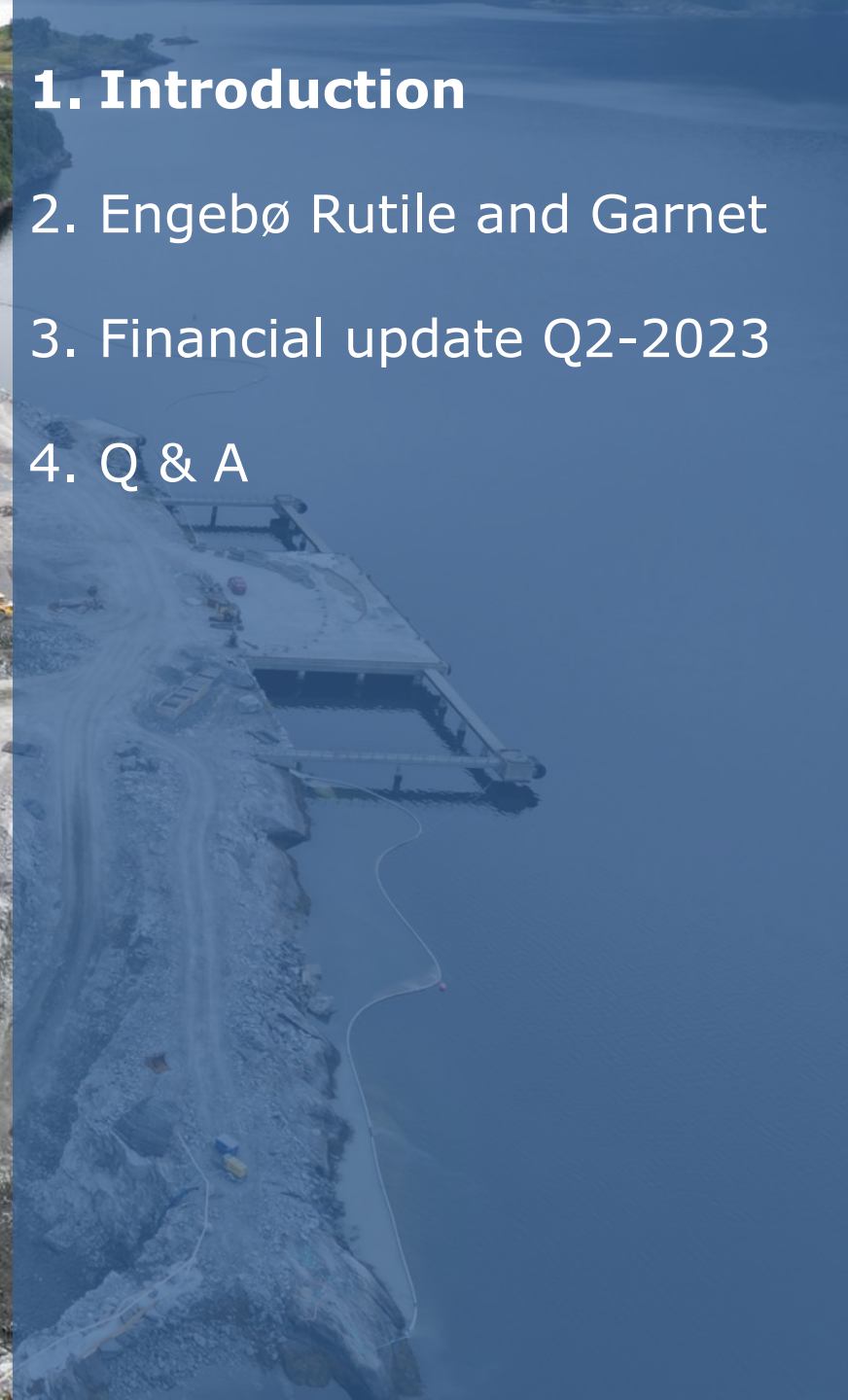


1. Introduction

2. Engebø Rutile and Garnet

3. Financial update Q2-2023

4. Q & A



Q2 2023 Highlights



Safety & ESG

- *No Lost Time Injuries (LTI) in the 2d quarter*
- *Nordic Mining's transparency report published*
- *Waste management plan for Engebø approved*



Construction

- *Construction works progressing according to plan*
- *Several milestones completed closing out risks related to HSE, capital expenditure and schedule*



Market

- *Rutile demand supported by welding and Ti-metal markets*
- *Pigment demand soft in Europe and North America*



Finance

- *NOK ~370 million invested in Engebø in the 2d quarter*
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Norwegian government launches a new, ambitious mineral strategy

On June 21st, the Norwegian government presented its new mineral strategy for Norway. The strategy follows many of the pillars in EU's Critical Raw Material Act, with emphasis on the following:

1. *Faster permitting of new mineral projects*
2. *Secure that the mineral industry contributes to the circular economy*
3. *Improve the sustainability in the industry and new projects*
4. *Mobilize and inspire private capital to engage in mineral assets*
5. *Establish international partnerships for increased mineral production*



Minister of Trade- Industry and Fisheries Mr. Vestre

Nordic Mining welcomes the new mineral strategy and believe it will improve the predictability and continuity of Norway's mineral policy and increase the investor interest for new mineral assets and projects

The Norwegian state will support Nordic Mining and participate in the Supreme Court hearings handling the appeal by AMR vs NM's subsidiary Engebø Rutile and Garnet AS

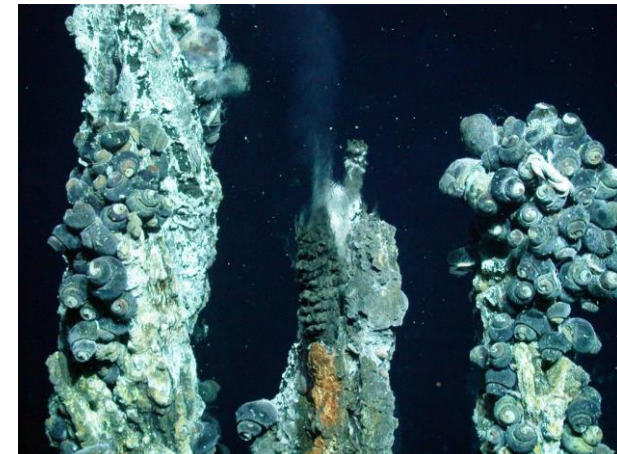
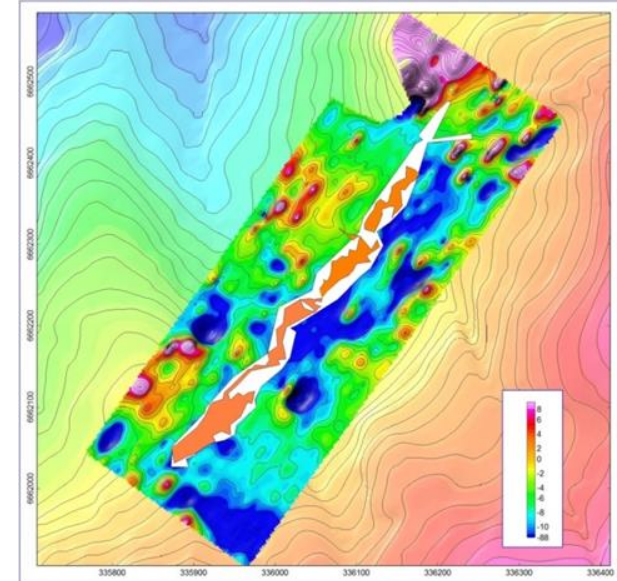
Nordic Mining will pause its engagement in seabed minerals

During the last year, Nordic Mining has considered various strategic opportunities within exploration of seabed minerals as well as future opportunities on land

The lead time to develop and establish viable and commercial exploitation of seabed mineral resources is considered excessive compared to opportunities on land

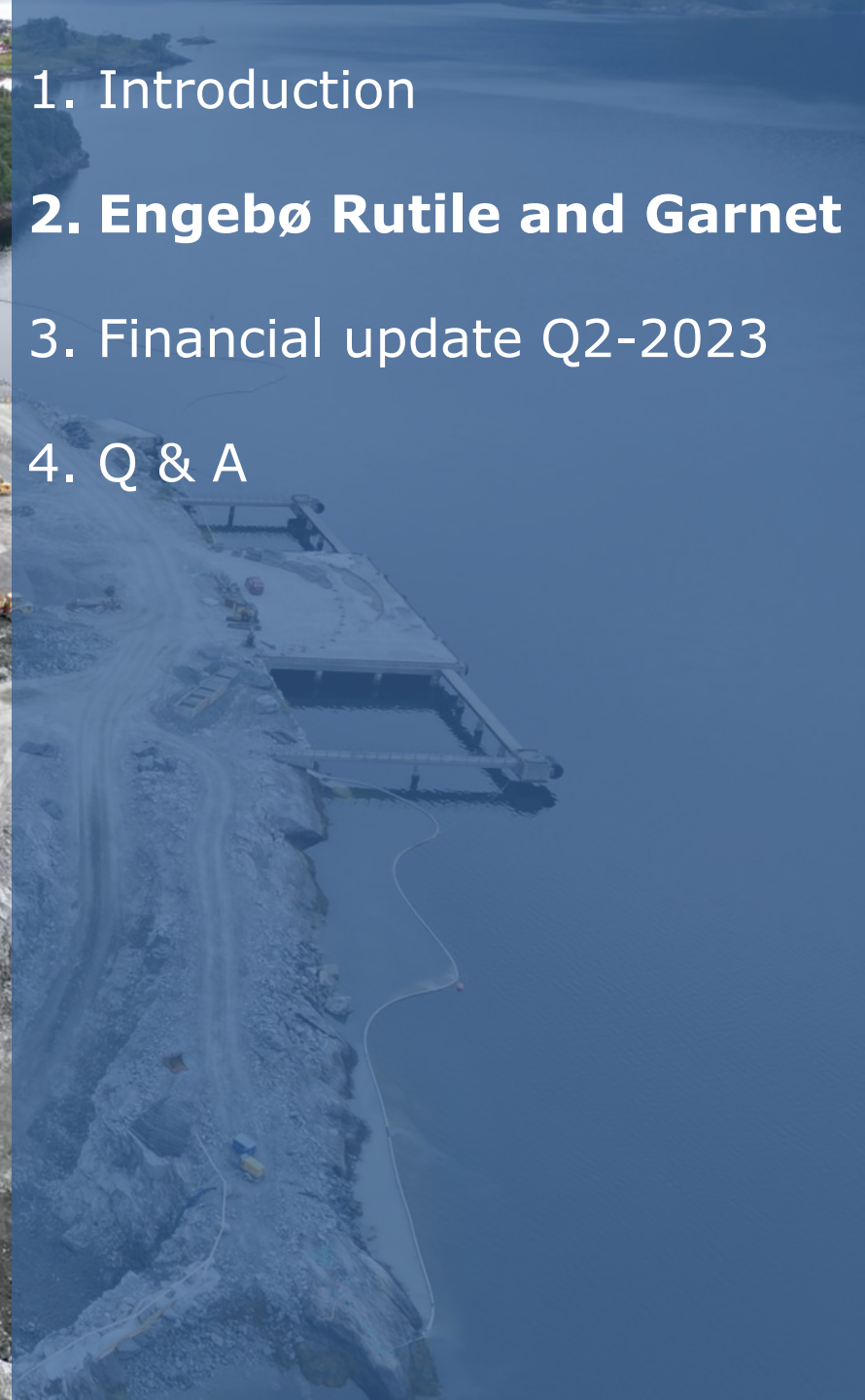
After a strategic review, Nordic Mining has therefore decided to pause its engagement in seabed mineral exploration and development

NM will focus on future onshore opportunities with in its current strategy of exploration and production of high-end minerals and metals





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Health & Safety

Key Performance Indicator	Q2	Project to date	Target
Lost time injuries (1/1 million working hours)	0	0	<2,5*
Total recordable injuries (1/1 million working hours)	0	0	<8,8*
High potential incidents* ²	0	3	0
Low potential incidents* ²	26	94	-



HSE status

- Maintained around 70 workers on site in average for Q2 with some reduction in EPC1 resources while EPC2 ramping up in July.

Incidents

- 3rd Party investigations on “Working in heights, without safety harness” concluded with recommendation on improvement for available safety equipment at site, increased communication and focus areas in the safety program for new workers before entering site to work.
- A minor blasting incident in the tailings construction pit occurred on 4th of July. Dislodged small stones precipitated onto the workshop facility's roofing structure, resulting in minor material impairment. All debris remained well within the boundaries of the designated evacuated safety zone.

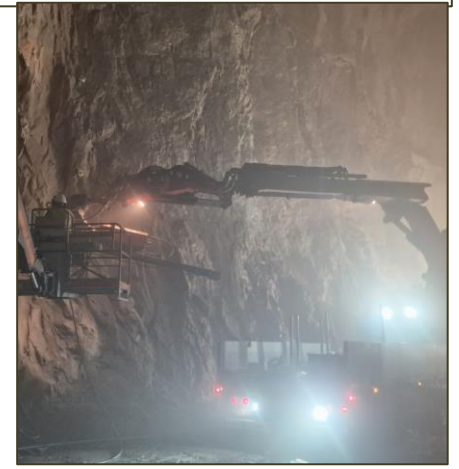
Significant progress in Q2, preparations for increased site activity underway



Update of environmental baseline ongoing



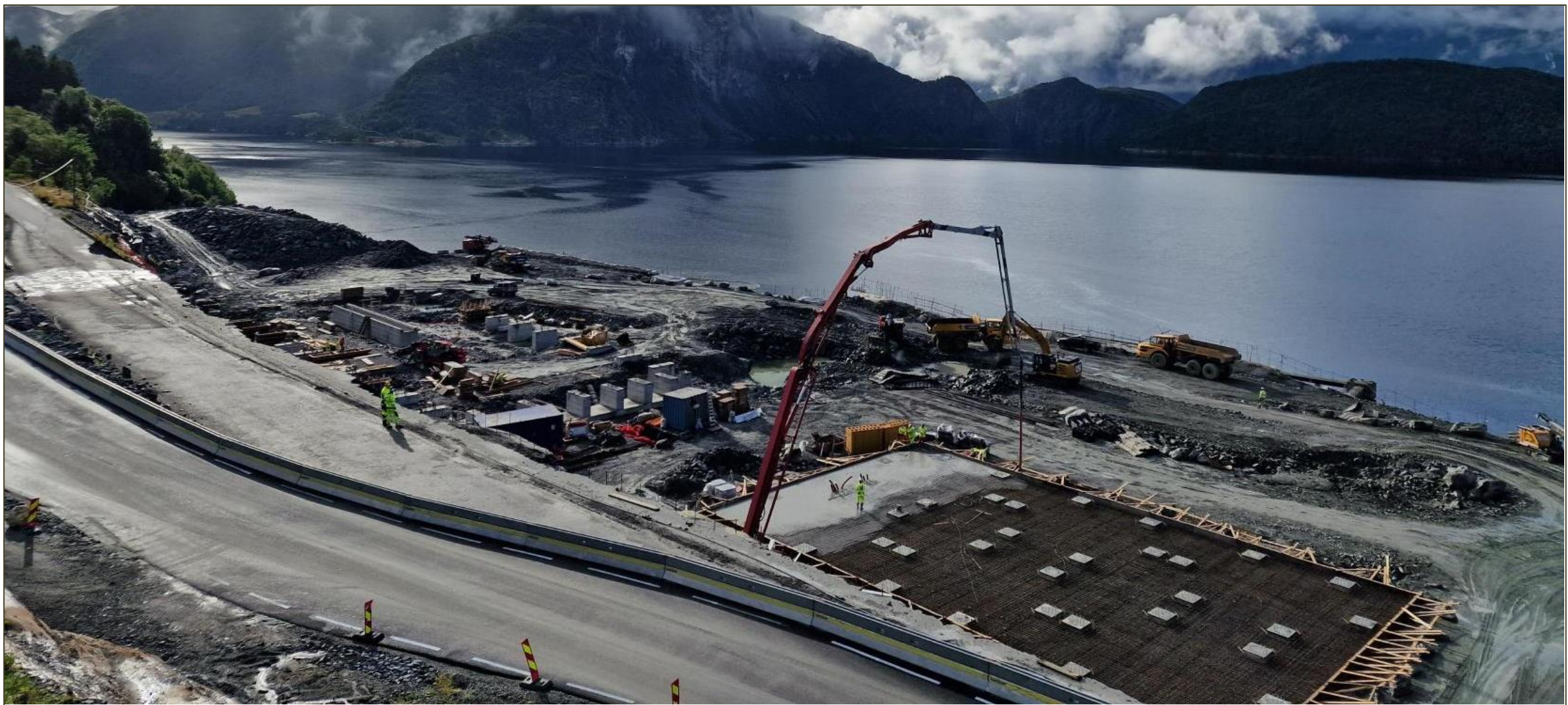
Underground infrastructure completed, civil foundations to start



Owner's site team will increase in the next quarter



Groundwork and civil foundations for the process plant well underway

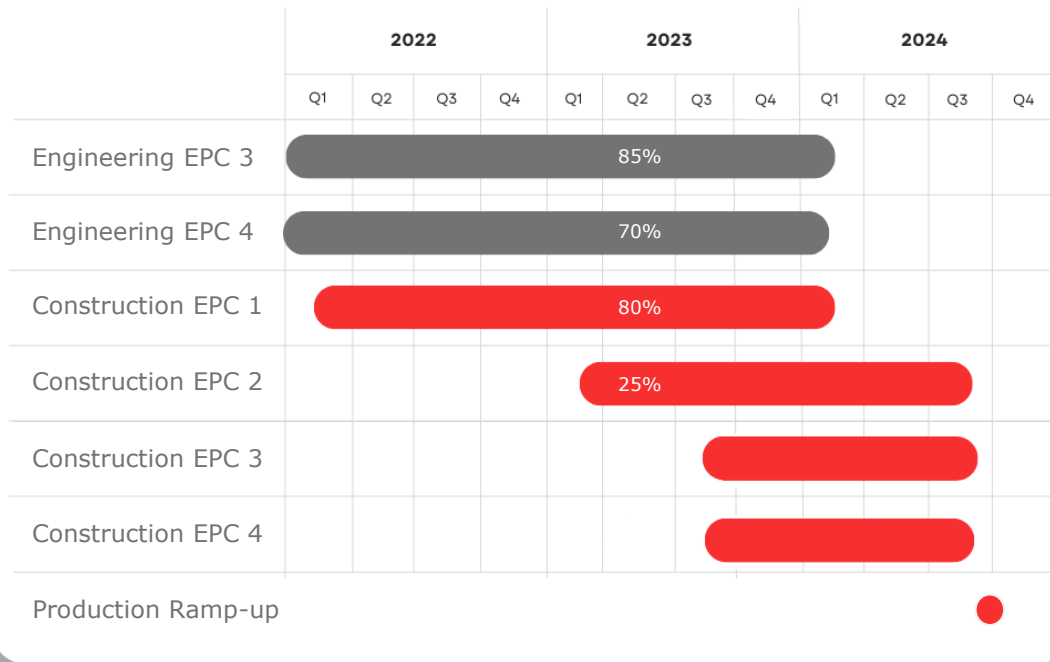


Active communication builds knowledge and stakeholder engagement



Construction on track to start production in Q4 2024 at budget

PROGRESS



Main Highlights

Construction by EPC1 Sunnfjord Industripartner AS:

- Completed ore conveyor and 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.

Construction by EPC2 Åsen & Øvrelid AS:

- Fully enclosed walls and roofs on the administration and workshop buildings.
- Civil foundation work for process plant buildings started and further progressed through the summer holiday.

Engineering by EPC3 Nordic Bulk AS and EPC4 Normatic AS:

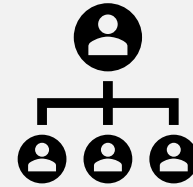
- The main parts of the Detail Engineering were completed in Q2 2023, and fabrication of steel and other equipment has started.
- Mechanical installations are expected to start for both the underground crushing chamber and process plant in October 2023.
- Detailed construction and installation planning in cooperation with and between Owners team and EPC partners.

Recruitment of operational resources according to plan



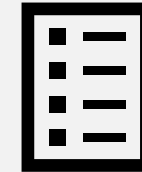
Operations Team is ramping-up

towards handover from EPCs after commissioning supported by Owner's Team. A significant planning and recruitment program to be launched in early 2024 to finalize recruitment before ramp-up



Key management recruitment

Is close to final and onboarded, with only Mining Manager outstanding. Finance Manager started 1st August and HR-Manager is onboarding 1st September.



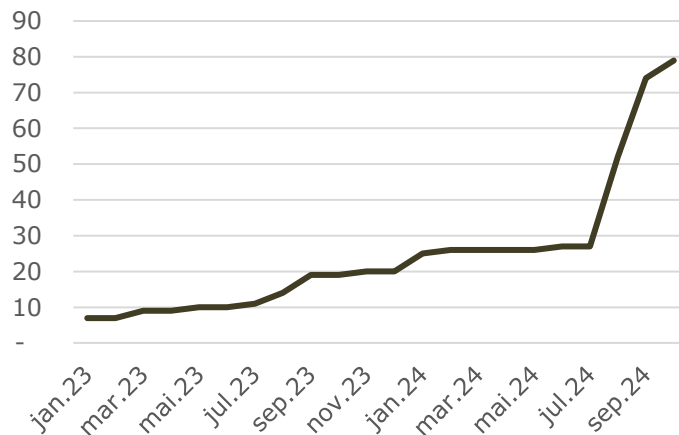
Operators and Engineers

Mining engineer started 1st August. Four engineers are onboarding 1st September:

- Team Leader and Control Room Engineer
- Electro Engineer and Mechanical Engineer

5 – 10 New positions will be opened in Q3-23

Planned resource ramp-up¹



Mining

Resources

2

Process & Production

Resources

3

Technical & Maintenance

Resources

3

Engerbø Rutile and Garnet will count 20 people from 1st September, with support from Hatch, other consultants and suppliers for operational readiness

Long lead technology packages in fabrication at leading sustainable suppliers

Metso Outotec will be the main technology provider for comminution & milling for Engerbø Rutile and Garnet, which delivery includes the crushers as part of the lump-sum EPC contract with Nordic Bulk AS. Mineral Technologies will be the leading supplier of physical separation equipment for mineral beneficiation

Metso Outotec

“The combination of Metso Outotec’s Planet Positive equipment is exceptional in this project. By utilizing our Premier™ Rod mill and Vertimill™ for primary and secondary grinding, as well as our UltraFine™ Screens for classification, this solution not only provides excellent energy efficiency but also superior sharpness of product particle size distribution. This will maximize the liberation and minimize losses in fines” says Christoph Hoetzel, Senior Vice President, Grinding at Metso Outotec

Mineral Technologies

Mineral Technologies is a leading supplier of gravity separation, dry and wet magnetic separation, and electrostatic separation equipment. With over 80 years’ experience in mineral processing, Mineral Technologies delivers innovative and cost-effective mineral extraction solutions across a wide range of minerals including iron ore, mineral sands, chromite, coal, gold, tin, tantalum and tungsten. NM has signed contracts with Mineral Technologies to supply PM018, PM019, PM021, and PM022.

Package ID	Package name	Procurement status
PM012B	Wet Vibrating Screens	Contract Signed
PM014	Stack Sizer Screens	Contract Signed
PM015A	Rod Mill	Contract Signed
PM015B	Vertical Stirred Mill	Contract Signed
PM017	Supply Slimes Thickener	Contract Signed
PM018	Supply Spiral Concentrators	Contract Signed
PM019	Supply WHIMS	Contract Signed
PM020	Supply HTRS	Contract Signed
PM021	Supply Rare Earth Magnetic Separators	Contract Signed
PM022	Supply RER Magnetic Separators	Contract Signed
PM023	Supply Up-Current Classifier	Letter of Intent (Detail Engineering ongoing)
PM029	Supply Hydro cyclones	Letter of Intent (Detail Engineering ongoing)
PM033	Supply Floatation Banks	Contract Signed
PM035	Supply Horizontal Vacuum Belt Filters	Contract Signed
PM036	Supply Electric Dryers	Contract Signed
PM039	Samplers	Technical clarifications ongoing
PM040	Dry Stream Analyzer	Technical clarifications ongoing
PM041	Mineral Quantifier	Technical clarifications ongoing
PM056	Supply Low Intensity Magnetic Separators	Contract Signed
PM057	Supply Cone Settler	Contract Signed
PM060	Supply Desalination Plant	Technical clarifications ongoing

Rutile demand supported by welding and Ti-metal market segments

Mixed demand for TiO₂ feedstocks:

- China: mixed picture where chloride feedstocks are in high demand whereas sulphate feedstock demand is subdued
- Europe / USA: feedstock demand down vs last year, both reflecting lower demand and de-stocking
- Demand for welding and Ti-sponge / metal is robust, supported by infrastructure investment and demand for Ti-metal

Supply of TiO₂ feedstocks:

- Lower full year '23 production guidances from various leading producers
- Other producers are producing more in H1 '23 vs H1 '22 or are on par with expectations
- Market for TiO₂ feedstocks is currently in oversupply, even with lower production guidances of some producers
- Due to the trend of rutile sales volumes moving from pigment to welding and Ti-sponge segments, prices for rutile are expected to remain stable in H2 '23



Garnet market remain steady

- Industrial demand in North America was variable in the second quarter. High inventories and concern for the US debt ceiling slowed demand in April and early May. This trend has been reversed and there was fairly strong demand in June.
- Demand in Europe remained depressed throughout the second quarter due to softness in the largest economies. These economic pressures were directly reflected in demand for waterjet cutting abrasives.
- Demand for blasting garnet remained more stable because of ongoing projects and generally strong demand in the shipbuilding and offshore sectors.
- The sale of new Waterjet machines remained steady in the quarter. Leading indicators continue to forecast a slowdown in capital investments for the rest of 2023. This is expected to have a direct impact on new machine sales.
- Selling prices in the main market of North America remained largely unchanged from Q1 to Q2. There is more pressure in Europe as the established suppliers fight to retain and grow market share.





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Fully funded up to production: ~ NOK 370m invested in Q2 post-FID

- The Group's financial position remains solid:
 - The Group had NOK 687 million in cash and cash equivalents at quarter-end
 - **NOK 566 million** in cash and cash equivalents in Engebø Garnet and Rutile, plus **USD 50 million** from Royalty Agreement and **NOK 1.1 billion** on bond Escrow will fund all costs and expenditures to bring the Engebø Project into commercial production, including project reserve of **USD 30 million**.
 - Engebø construction expenditures of **NOK 368 million** capitalized under «Mine under construction» in Q2, up from NOK 132 million in Q1, resulting from increased construction activities after securing full financing and final investment decision in March 2023
 - «Mine under construction» consolidated carrying amount at end of Q2 of **NOK 789 million**
- Net financial items in the second quarter of NOK 2.7 million, comprising net gain of net gain on foreign exchange related to the bond of NOK 0.6 million, interest income on cash held of NOK 3.8 million and transaction costs from financing of NOK -1.2 million.

For details, see full interim report on <https://www.nordicmining.com/>

Highlights and Q&A



Safety & ESG

- *No Lost Time Injuries (LTI) in the 2d quarter*
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Consolidated income statement

Q2-2023 Unaudited	Q2-2022 Unaudited	Amounts in NOK million	Acc.2023 Unaudited	Acc.2022 Unaudited	2022 Audited
-	-	Other income	-	-	-
(2.8)	(1.5)	Payroll and related costs	(7.2)	(5.9)	(11.7)
(0.1)	(0.0)	Depreciation and amortization	(0.2)	(0.1)	(0.2)
(7.1)	(9.7)	Other operating expenses	(16.1)	(23.0)	(34.1)
(10.0)	(11.3)	Operating profit/(loss)	(23.4)	(29.0)	(45.9)
-	88.6	Fair value gains/losses on investments	-	294.5	283.8
-	(7.3)	Fair value gains/losses on convertible loan	3.4	(12.8)	(10.5)
1 2.7	0.0	Financial items	(37.0)	(6.1)	(25.0)
(7.4)	70.0	Profit/(loss) before tax	(57.1)	246.6	202.4
-	-	Income tax	-	-	-
(7.4)	70.0	Profit/(loss) for the period	(57.1)	246.6	202.4

- ① Main financial items in Q2:
- net gain on foreign exchange related to the bond of NOK 0.6 million;
 - interest income on cash held of NOK 3.8 million
 - transaction costs from financing of NOK -1.2 million

Borrowing costs net of interest on bond Escrow capitalized under "Mine under construction" following satisfaction of financing conditions in March 2023, in total NOK 32.2 million in H1

Consolidated statement of financial position

Amounts in NOK million	30.06.2023 Unaudited	31.12.2022 Audited
ASSETS		
Mine under construction	① 788.9	288.4
Property, plant and equipment	1.0	1.1
Right-of-use assets	0.0	0.1
<i>Total non-current assets</i>	789.9	289.6
Cash and cash equivalents	② 687.3	164.7
Bond Escrow	1 109.0	1 032.6
Restricted cash	8.4	4.2
Trade and other receivables	50.1	23.3
<i>Total current assets</i>	1 854.8	1 224.8
Total assets	2 644.7	1 514.4
SHAREHOLDERS' EQUITY AND LIABILITIES		
<i>Total equity</i>	1 517.5	454.5
Bond loan	③ 951.7	-
Pension liabilities	1.7	1.8
<i>Total non-current liabilities</i>	953.5	1.8
Trade payables	91.7	37.2
Bond loan	-	850.8
Convertible loan	-	143.0
Other current liabilities	82.1	27.1
<i>Total current liabilities</i>	173.8	1 058.1
Total liabilities	1 127.3	1 059.9
Total shareholders' equity and liabilities	2 644.7	1 514.4

- ① Engebø construction works of NOK 368 million, capitalized under «Mine under construction» in Q2, up from NOK 132 million in Q1
- «Mine under construction» carrying amount as of Q2 of NOK 789 million
- ② Cash balance of NOK 687 million, of which NOK 566 million in Engebø Rutile and Garnet
- NOK 1.11 billion on bond Escrow, after payment of pre-funded interest and interest income, to be used for costs and expenditures related to the Engebø Project
- ③ Engebø Rutile and Garnet bonds classified as non-current liability in the statement of financial position following satisfaction of financing conditions in March 2023