


 Multi asset exposure

 Large deposit with unique location

 All major permits in place

 Valuable investment in lithium

# Minerals for a sustainable future



EN Expand Oslo: NOM  
**NORDIC  
MINING**

**Q3 2021 Interim Presentation**

November 9, 2021

# Disclaimer

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# Agenda

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1. Introduction
2. Engebø Rutile and Garnet
3. Keliber – Lithium
4. Other developments
5. Financial update
6. Q & A

## Climate awareness increases focus on mineral supply



**Green transition = increased mineral production**

- New government: Strong ambitions for the Norwegian mining industry
- Sustainability: Norway is rolling out the rating system Towards Sustainable Mining (TSM)



# Sustainable production of high-end industrial minerals and metals



## Rutile (Titanium dioxide)

- Environmentally friendly pigment
- Air cleaning surface materials
- Aircrafts and aerospace
- Health applications



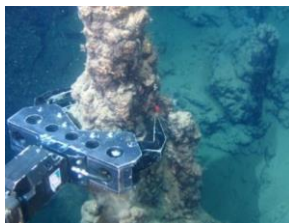
## Garnet

- Health and environmentally friendly cutting and blasting material



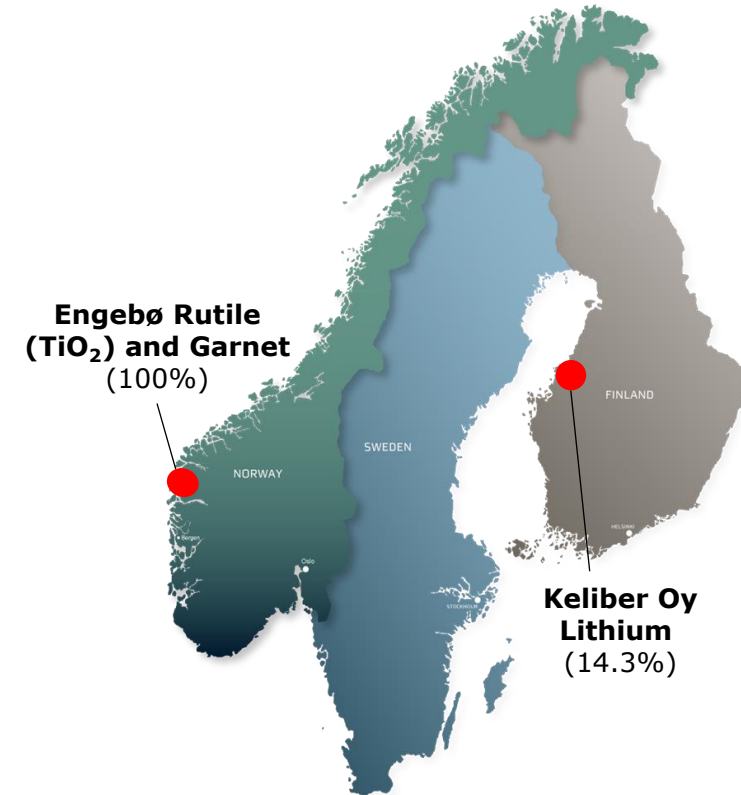
## Lithium

- Batteries for electric vehicles and renewable energy storage



## Copper/Zinc/Manganese/Cobalt

- Critical minerals from seabed mineral resources



**Nordic Ocean Resources (NORA)**  
**Seabed minerals**  
(100%)

# R & D opens new avenues for the mineral industry



## Alumina

- Qualification of patented technology for green alumina production with integrated CO<sub>2</sub> consumption

### Partners:



Funded by EU/Horizon 2020



## Battery production

- Multi discipline research project with focus on critical steps of big scale battery manufacturing.

### Partners:



Funded by Norwegian Research Council and industry

## Q3 2021 Highlights

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- Engebø mineral rights confirmed in court ruling
- Lump sum agreements signed with 3 of 4 EPC partners for the Engebø construction
- Engebø engineering is progressing in preparation for construction start-up
- Long term price for Rutile adjusted upwards
- Fair value of investment in Keliber Oy increased

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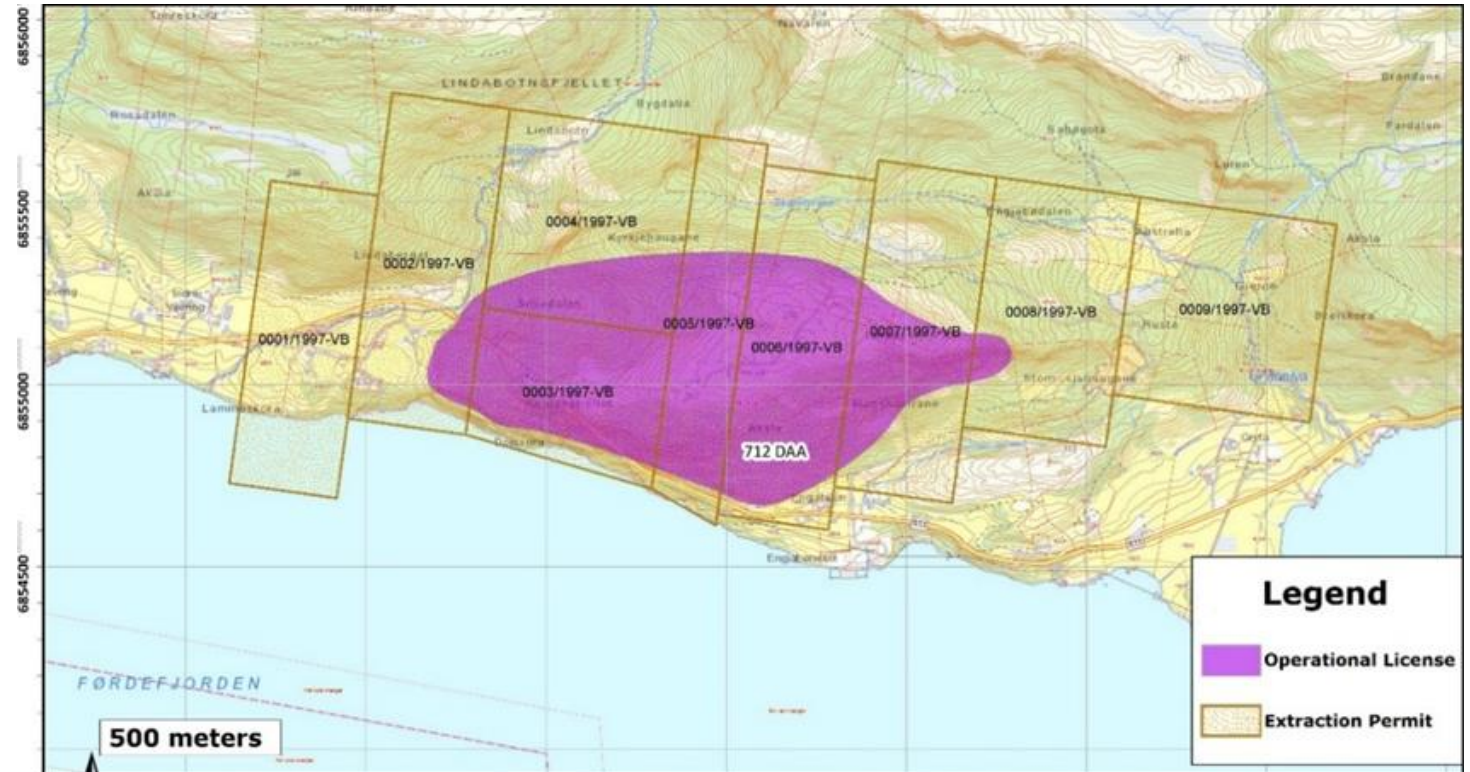
# NM's mining rights at Engebø confirmed in court ruling

## Ruling by Oslo District Court:

- NM's mining rights are valid and cover the entire Engebø eclogite deposit
- NM will be the sole mining company granted rights to mineral extractions from Engebø
- AMR has to pay legal expenses of NOK 3,5 million to NM

## Operational license:

- Final decision on the operating license is expected from The Ministry of Trade, Industry and Fisheries in near future



# Lump-sum agreements signed with 3 of 4 EPC partners



EPC 1  
Site wide earthworks and tunneling



EPC 2  
Civil work and buildings



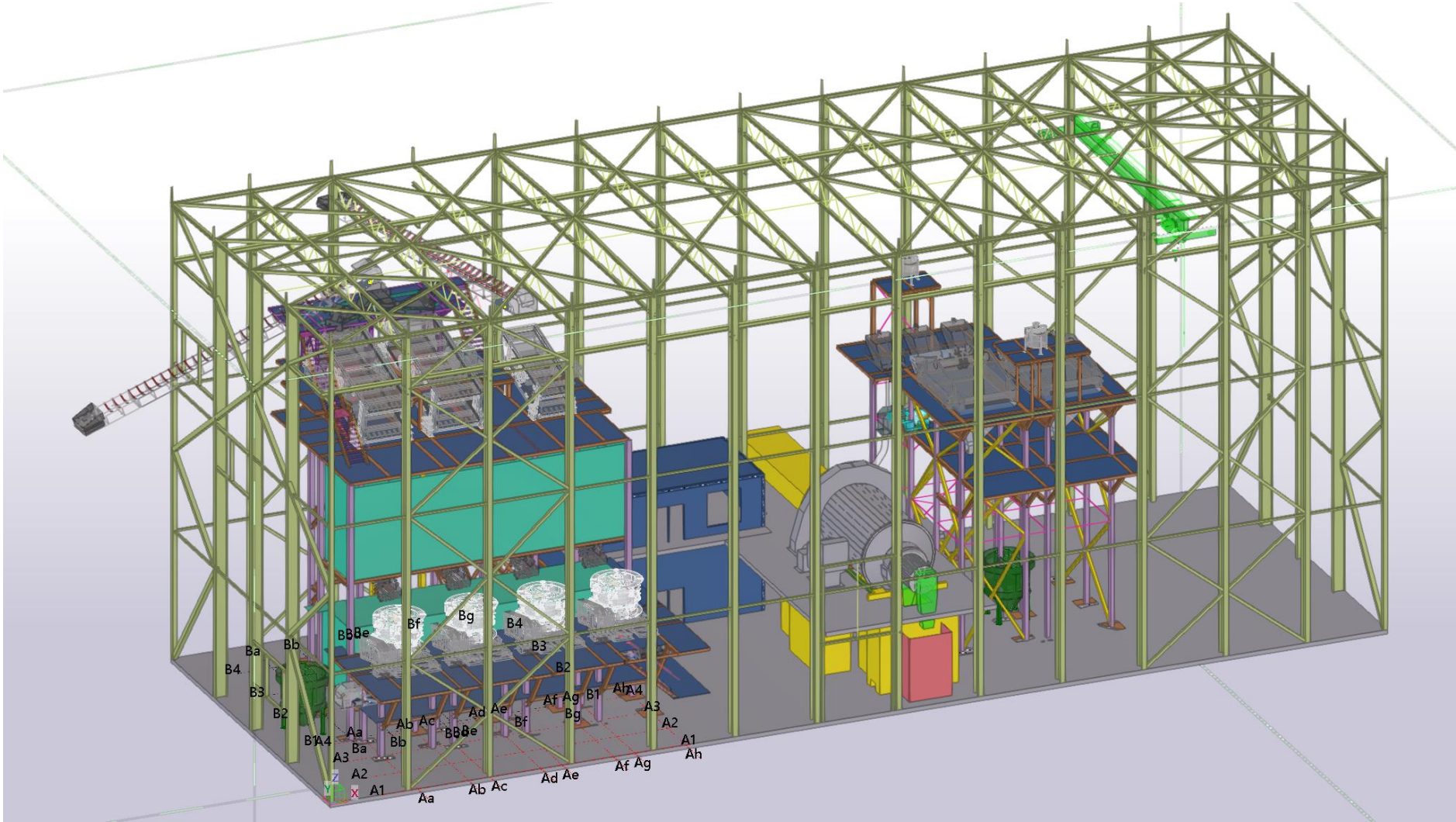
EPC 3  
Structural, mechanical, plating & piping, underground comminution

- EPCs are progressing on selected detailed engineering work, originally part of the UDFS construction work
- Mr. Terje Gundersen engaged as Project Director





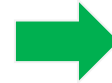
# EPC 3 advancing engineering of comminution unit



# ESG embedded in plans for construction and operation



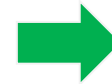
Climate responsibility



Use of electrical dryers instead of natural gas fueled dryers results in ~80% reduction of total CO<sub>2</sub> emissions



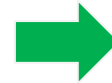
Environmental footprint



New process chemicals have been approved by the Environment Agency, confirming reduction by 99%. Process plant area reduced by over 40%



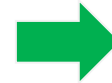
Safe and healthy work environment



Operational readiness from start of execution to prepare procedures for operations. Operation and Maintenance included in detailed engineering to secure a safe work environment



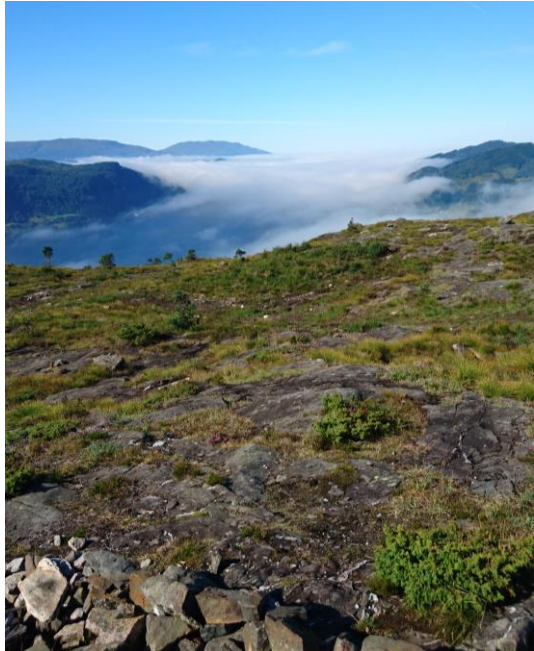
Social responsibility



Stakeholder Engagement Plan and local resource group established for improved dialogue and cooperation. Long-term local employer

# Engelbø will report according to TSM from day one

COMMUNITIES AND PEOPLE				ENVIRONMENTAL STEWARDSHIP			ENERGY EFFICIENCY
Indigenous and Community Relationships	Crisis Management and Communications Planning	Safety and Health	Preventing Child and Forced Labour	Tailings Management	Biodiversity Conservation Management	Water Stewardship	Energy Use and GHG Emissions Management
Community of Interest (COI) identification	Crisis management preparedness	Policy, commitment and accountability	Preventing forced labour	Tailings management policy and commitment	Corporate biodiversity conservation commitment, accountability and communications	Water governance	Energy use and GHG emissions management systems
Effective COI engagement and dialogue	Review	Planning, implementation and operation	Preventing child labour	Tailings management system	Facility-level biodiversity conservation planning and implementation	Operational water management	Energy use and GHG emissions reporting systems
Effective Indigenous engagement and dialogue	Training	Training, behaviour and culture		Assigned accountability and responsibility for tailings management	Biodiversity conservation reporting	Watershed-scale planning	Energy and GHG emissions performance targets
Community impact and benefit management		Monitoring and reporting		Annual tailings management review		Water reporting and performance	
COI response mechanism		Performance		Operation, maintenance and surveillance manual			



**Towards Sustainable Mining**  
 Vers le développement minier durable



# Minimizing visual impact - utilizing existing topography

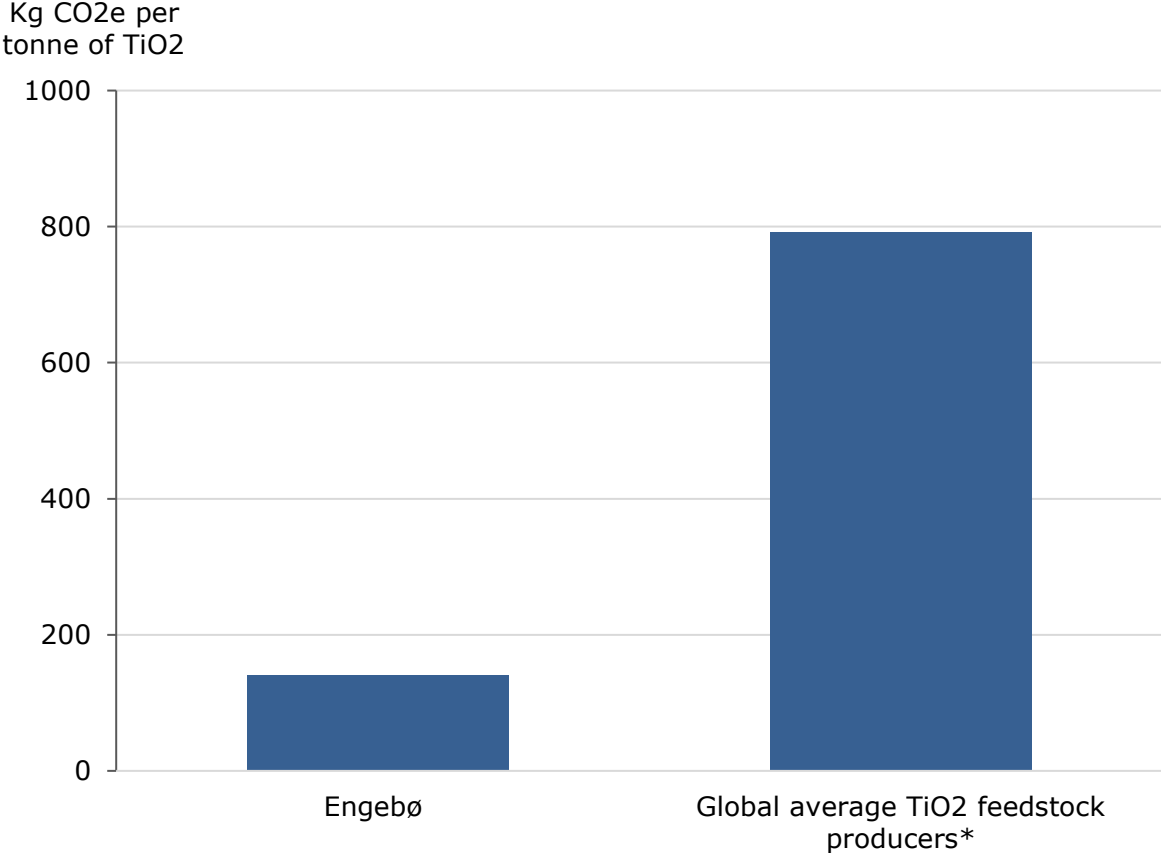


# Towards fossil free mining; electrification reduces CO<sub>2</sub> emission

- Use of electrical dryers will make the process plant free of CO<sub>2</sub> emissions and reduce operating cost
- Overall CO<sub>2</sub> emissions at low levels compared to the international TiO<sub>2</sub> feedstock industry
- Future development of e-vehicles and technology will enable a fossil free mining operation
- Focus on cost savings and safety by digitalisation and automation



## CO<sub>2</sub> equivalents from the operation<sup>1</sup>



# Strong demand growth firm long-term price for rutile

## Rutile:

- Bulk rutile prices continued to increase in third quarter of 2021 as the already strong demand for high-grade feedstocks was inflated by low inventory levels and shortages of chloride feedstocks in North America and Europe.
- TZMI has revised their 2022 bulk rutile price forecast to over USD 1,400/mt FOB, corresponding to an increase of close to 15% compared to the forecasted average bulk price in 2021.
- Real long-term prices are expected to remain in the range USD 1,300-1,320/mt FOB, which is USD 120-140/mt above the long-term rutile price used in the UDFS.

## Garnet:

- International Garnet trade is still impacted by the difficulties in the international freight markets caused by ie. staff limitations and port congestions, in particular transportation of containers.





## Processes ongoing with selected strategic investors

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- Investment banks Clarkson Platou Securities AS and SpareBank 1 Markets AS are engaged to advice on Engebø project financing
- Processes ongoing with selected strategic investors for possible sizeable equity and/or debt participation in project financing
- Independent Technical Engineer review for debt financing finalized
- Timeline for formal financing process pending final decision on operating license
- NM will provide updates and guiding on final financing plan and structure in due course



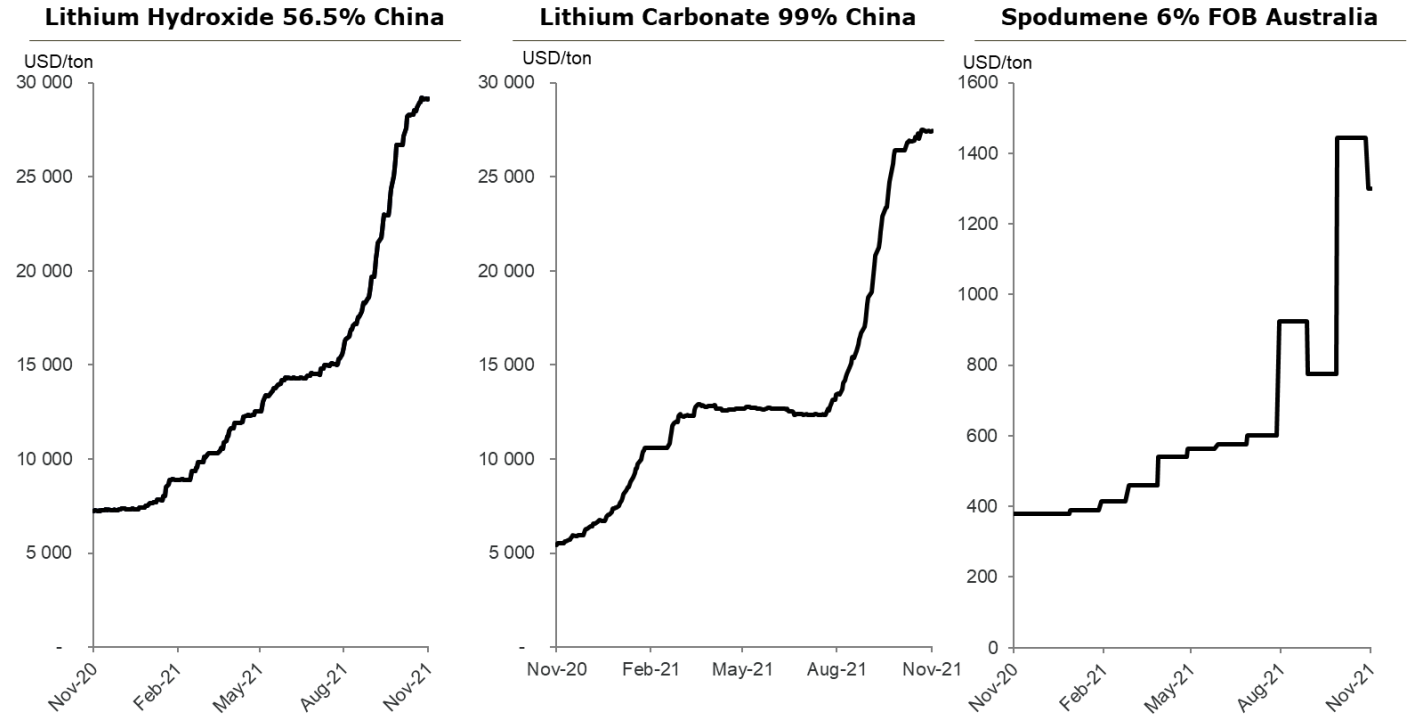
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# Keliber progresses as lithium prices has rallied in 2021....

- Total proven and probable ore reserves have increased to 12.30 million tonnes, representing a growth of 32 percent. The ore reserves of the largest lithium deposit Rapasaari have increased by 55 percent.
- Keliber are progressing its updated Feasibility Study with estimated finalization early 2022
- Project financing is scheduled to June 2022, subject closing of permitting processes
- Sibanye-Stillwater has closed EUR 10 million second tranche of equity investment in Keliber



## ...boosting valuation of lithium development projects

### Development of a Keliber peer-group LTM (indexed)



- Fair value of Keliber investment increased by NOK 73 million to NOK 194 million per Q3 2021
- Lithium development equities has seen a positive movement over the past year driven by the massive increase in adaptation of EV's and improved investor sentiment towards the green transition
- Keliber peer-group has gained over 330% on average over the last year
- The peer-group of lithium developers have been selected based on:
  - Nature of ore-body, only hard-rock
  - Jurisdiction, Finland is favorable
  - Project phase, only post PFS\*
- Envisaged near-term lithium shortage has led several OEMs including Tesla, GM and BMW to sign deals with lithium producers – positively impacting sentiment

Peer Group: European Lithium, European Metals, \*Savannah Resources (PEA), Critical Elements, Core Lithium, Frontier Lithium, Piedmont Lithium and Ioneer Ltd (The companies have been weighted equally)

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# Towards greener mineral and metal production

## Less waste and integrated CO<sub>2</sub> capture

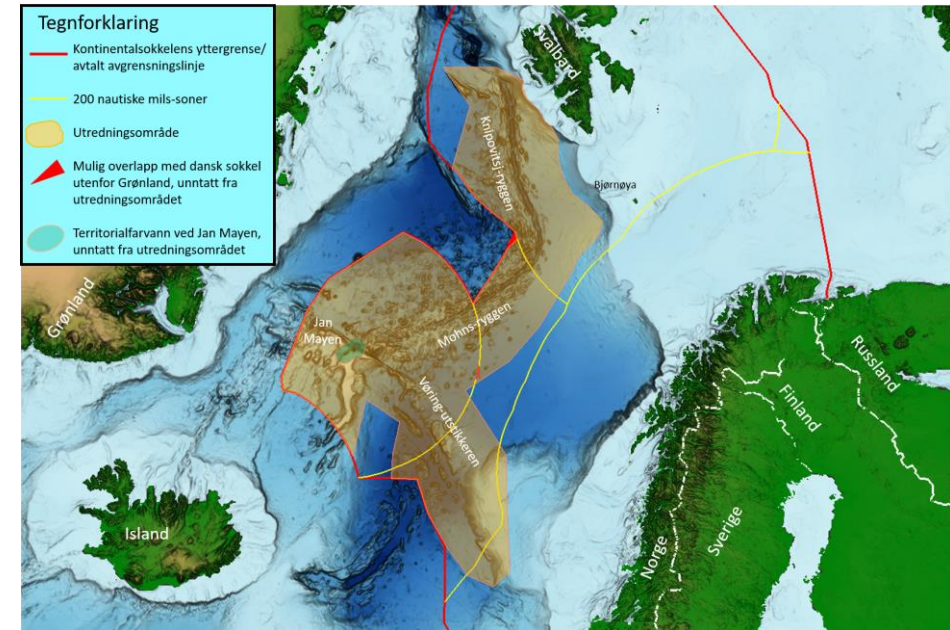
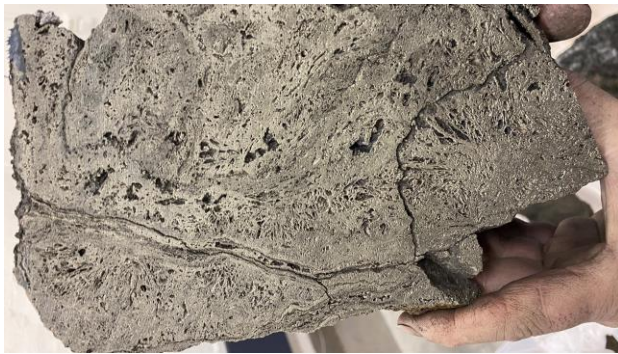


### Key achievements:

- Favorable kinetics have been demonstrated for anorthosite leaching
- Alumina and silica with high purity have successfully been produced
- Resources from multiple deposits across the world have been tested
- Improved acid regeneration with integrated CO<sub>2</sub> capture and PCC (Precipitated Calcium Carbonate) production are important next steps

# Nordic Ocean Resources (NORA) – pioneering seabed minerals

- The Norwegian Petroleum Directorate has started the Environmental Impact Assessment (EIA) of the area on the Norwegian continental shelf that is scheduled for licensing.
- The assessment is expected to last approximately 1,5 years, followed by a public hearing and decision process.
- Nordic Ocean Resources is reviewing its strategy on how it may best establish a sustainable, robust and long-term strategy for exploration and exploitation of seabed minerals in Norway and internationally.



**On October 7 Norwegian government approved Environmental Impact Assessments (EIA) on the continental shelf as part of the opening process for licensing<sup>1</sup>**

<sup>1</sup><https://www.npd.no/fakta/nyheter/generelle-nyheter/2021/konsekvensutredning-i-forbindelse-med-apningsprosessen-for-mineralvirksomhet/>

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## Fair value gain on Keliber investment of 60% in Q3 bolsters balance sheet

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The Group's balance sheet remains solid:

- NOK 47.9 million in cash
  - Net cash outflow from operations of NOK 15.6 million in the quarter, reflecting ongoing pre-construction work originally part of the UDFS construction work
    - Most of the pre-construction work is deductible towards the Engebø capital expenditure
- Fair value of Keliber investment increased to NOK 193.9 million per Q3 2021, recognizing a fair value gain in the quarter of NOK 72.6 million
- No interest-bearing debt
- Fully funded for the continuation of the Engebø project towards construction and other Group activities, based on current plans and forecasts.

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

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# Q & A

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## Appendix #1 Consolidated income statement

Q3-2021 Unaudited	Q3-2020 Unaudited	Amounts in NOK million	Acc.2021 Unaudited	Acc.2020 Unaudited	2020 Audited
-	-	Sales	0.0	-	-
(3.8)	(3.9)	Payroll and related costs	(12.5)	(10.2)	(14.4)
(0.0)	(0.1)	Depreciation and amortization	(0.1)	(0.2)	(0.2)
(12.8)	(2.1)	Other operating expenses	(32.4)	(20.4)	(27.9)
<b>(16.6)</b>	<b>(6.0)</b>	<b>Operating profit/(loss)</b>	<b>(44.8)</b>	<b>(30.8)</b>	<b>(42.5)</b>
72.6	1.5	Fair value gains/losses on investments	69.7	(3.2)	9.3
(0.1)	(0.0)	Financial items	(0.3)	0.3	0.3
<b>56.0</b>	<b>(4.6)</b>	<b>Profit/(loss) before tax</b>	<b>24.7</b>	<b>(33.7)</b>	<b>(32.9)</b>
-	-	Income tax	-	-	-
<b>56.0</b>	<b>(4.6)</b>	<b>Profit/(loss) for the period</b>	<b>24.7</b>	<b>(33.7)</b>	<b>(32.9)</b>



## Appendix #2 Consolidated statement of financial position

Amounts in NOK million	30.09.2021	31.12.2020
	Unaudited	Audited
<b>ASSETS</b>		
Evaluation and exploration assets	28.7	28.3
Property, plant and equipment	0.2	0.4
Right-of-use assets	0.3	0.4
Financial investments	193.9	100.1
<i>Total non-current assets</i>	<i>223.0</i>	<i>129.2</i>
Cash and cash equivalents	47.9	42.2
Trade and other receivables	4.9	2.2
<i>Total current assets</i>	<i>52.8</i>	<i>44.4</i>
<b>Total assets</b>	<b>275.9</b>	<b>173.7</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<i>Total equity</i>	<i>265.1</i>	<i>164.3</i>
Total non-current liabilities	1.0	1.6
Total current liabilities	9.8	7.8
<i>Total liabilities</i>	<i>10.8</i>	<i>9.4</i>
<b>Total shareholders' equity and liabilities</b>	<b>275.9</b>	<b>173.7</b>