



OAX: NOM

Q4 2018 Presentation
Oslo, 19 February 2019



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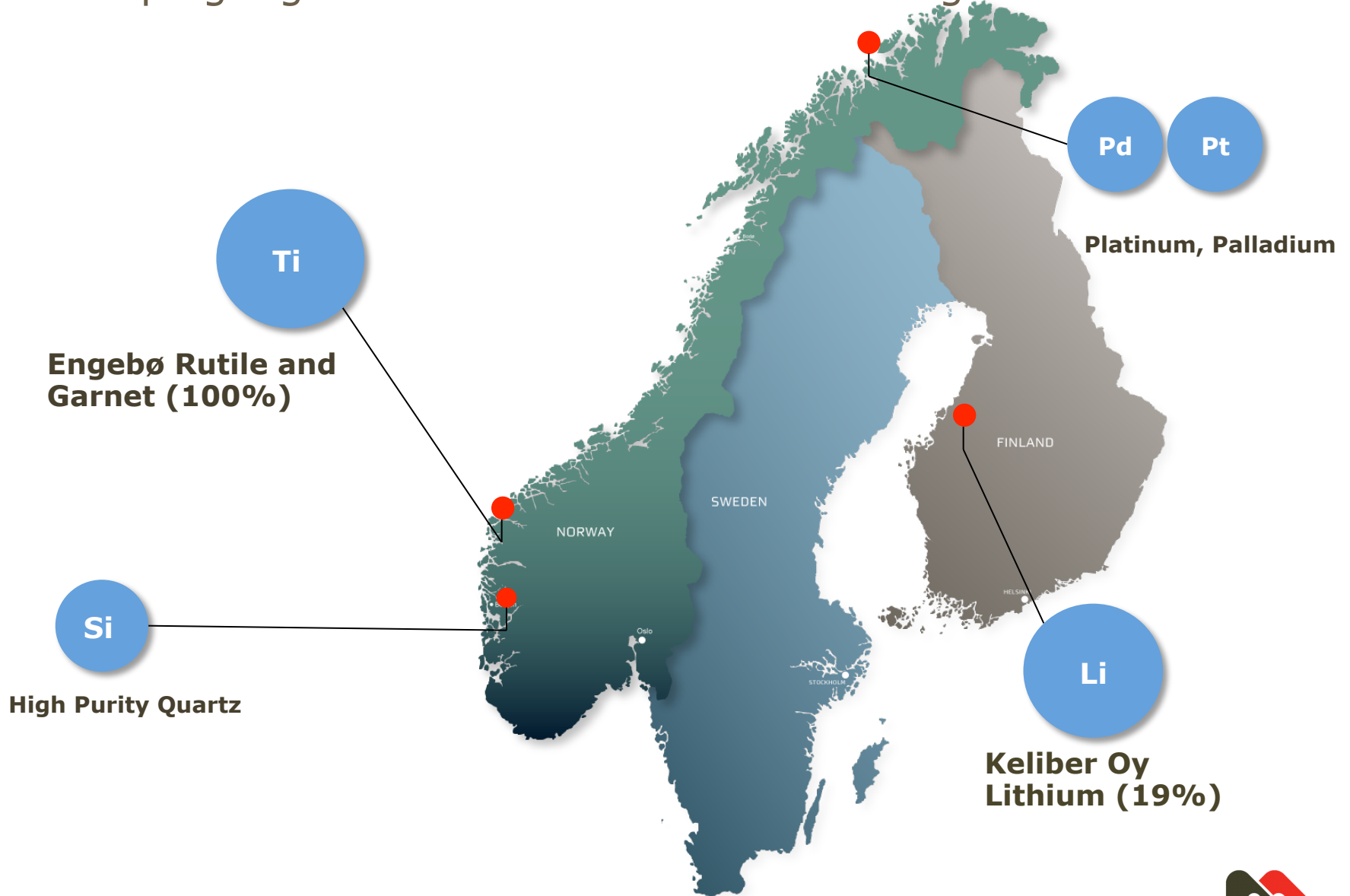
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1. Introduction
2. Financial status
3. Update on projects
 - Engebø, rutile and garnet
 - Keliber, lithium
4. Q & A

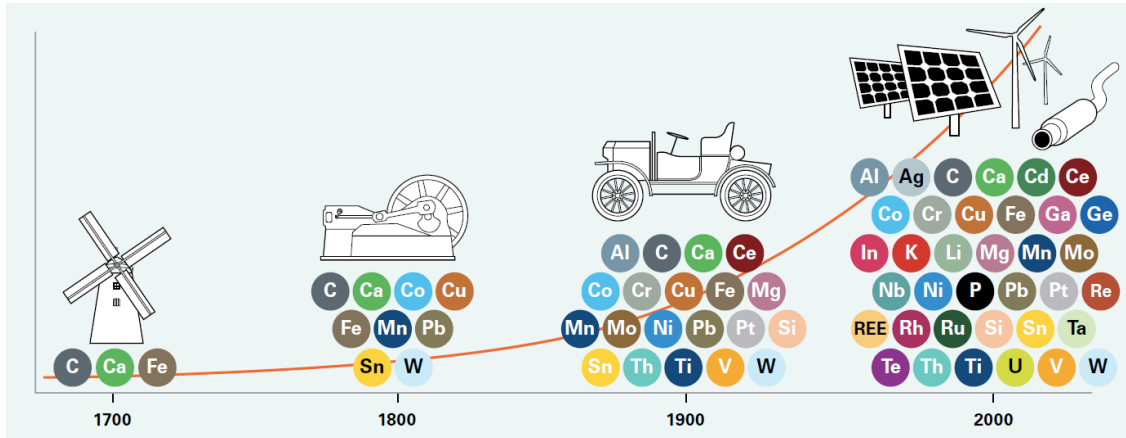
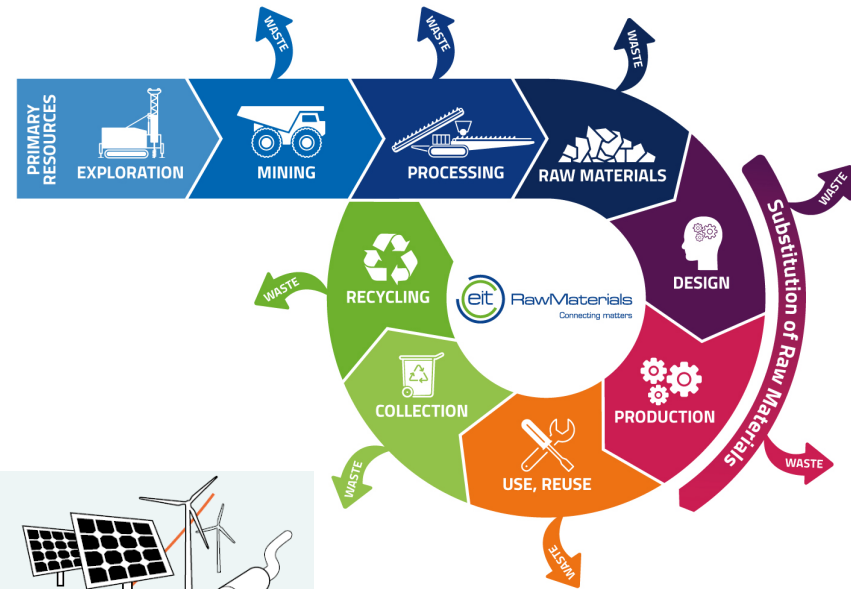


Developing high-value assets in the Nordic Region



Our purpose:

Sustainable production of strategic minerals and metals, creating long term value for society and shareholders



Denis Mukwege, winner of the Nobel peace price 2018



Congo is suffering from illegal mining and trade of Cobalt. You have a responsibility to contribute to sustainable sourcing of needed minerals.



Dam failures result in dramatic consequences for humans and the environment

Vale's tailings dam broke on 25 January in Minas Gerais, Brazil



In an long-term perspective, most man-made tailing dams are at risk



Norway on tailings management:

The Norwegian Environment Agency has evaluated experiences and best practices regarding tailings management

Conclusion:

“It is unwise to prohibit sea disposal as they in many cases represent the most environmentally and safest solutions for disposal”



Tailings dam at Titania, Norway



The Norwegian parliament is debating the proposal for a new act for exploration and production of seabed minerals



"Exploration of seabed minerals may be an important industry for Norway. The minerals at the seafloor are critical for many of our future technologies.»



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Consolidated Income Statement

Q4-2018	Q4-2017		2018	2017
Unaudited	Unaudited	Amounts in NOK million	Unaudited	Audited
-	-	Sales	-	-
(4.0)	(2.7)	Payroll and related costs	(11.8)	(10.9)
-	-	Depreciation and amortisation	(0.1)	(0.2)
(13.2)	(6.4)	Other operating expenses	(48.6)	(25.2)
(17.3)	(9.1)	Operating loss	(60.5)	(36.2)
(2.5)	(1.9)	Share of result of an associate	(8.0)	0.5
(0.1)	0.0	Financial items	(0.1)	0.1
(19.9)	(11.0)	Profit/(loss) before tax	(68.6)	(35.6)
-	-	Income tax	-	-
(19.9)	(11.0)	Profit/(loss) for the period	(68.6)	(35.6)



Consolidated Statement of Financial Position

Amounts in NOK million	31.12.2018 Unaudited	31.12.2017 Audited
ASSETS		
Evaluation and exploration assets	28.0	21.6
Property, plant and equipment	0.3	0.2
Investment in an associate	21.3	29.3
<i>Total non-current assets</i>	<i>49.5</i>	<i>51.1</i>
Cash	49.9	21.5
Other current assets	2.5	4.5
<i>Total current assets</i>	<i>52.4</i>	<i>26.1</i>
Total assets	102.0	77.1
SHAREHOLDERS' EQUITY AND LIABILITIES		
<i>Total equity</i>	<i>93.2</i>	<i>70.2</i>
Non-current liabilities	0.8	0.6
Current liabilities	7.9	6.4
<i>Total liabilities</i>	<i>8.7</i>	<i>7.0</i>
Total equity and liabilities	102.0	77.1



Financing

Rights issue

- Rights issue of 17,391,304 shares at a subscription price of NOK 2.30 per share and gross proceeds of NOK 40.0 million successfully completed in November
- The main purpose of the rights issue was to continue the development of the Engebø rutile and garnet project towards completion of the DFS and for general corporate purposes

Further financing

- The Company will continue the efforts to attract additional funding for its operations going forward, including for construction capex for the Engebø project
- In January 2019, Nordic Mining entered into an agreement with Northcott Capital Ltd for provision of financial advisory services for debt financing of the construction project
- Offtake partners intend to participate in construction financing



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Engebø Rutile and Garnet



Creating long-term regional employment, growth and development

Engerbø Rutile and Garnet

- Highlights
- DFS status
- Regulation
- Operational license
- Markets




Engebø progress highlights

- Engagement of financial debt advisor on 30 January
- HOA with Japanese trading house for rutile offtake and financing signed on 31 January
- Application for operational license filed on 1 February
- Framework for environmental monitoring filed to the Norwegian Environment Agency in December 2018
- Process test work moving forward; bulk program test work finalized
- Testing of waterjet cutting with Engebø garnet confirms high performance
- Procurement bid packages are currently issued to the market
- Regulation process with local municipalities on water and infrastructure getting ready for public hearings



Definitive Feasibility Study – main activities

- Resource update
- Mining Open Pit and Underground studies
- Mining Open Pit Optimization schedule
- Process Testwork**
- Engineering
- Procurement/bids
- Construction execution plan
- Capex estimate
- Opex estimate
- Risk Management/QRA
- Final financial analysis
- DFS Report

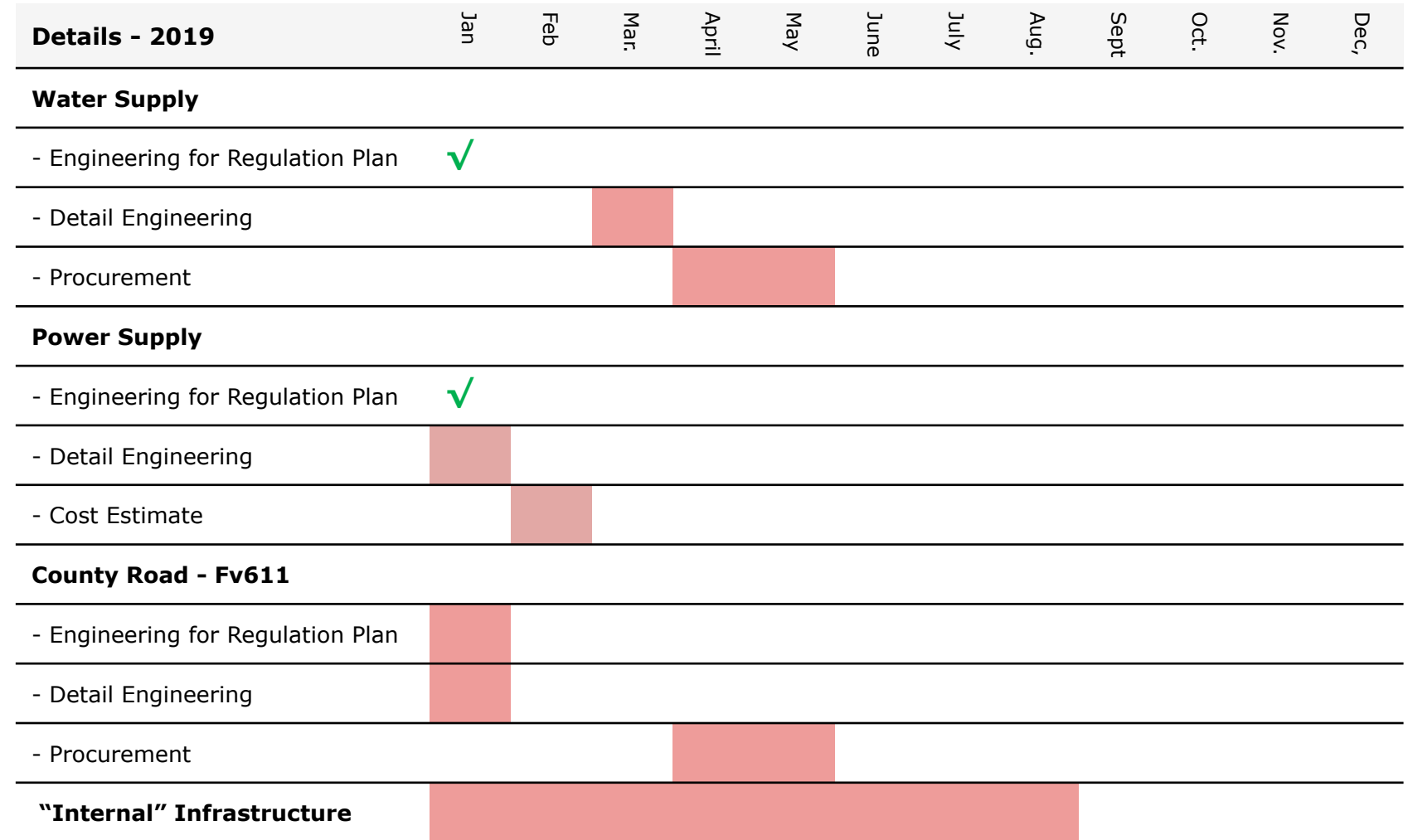
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- Bulk test program
 - Validation program
 - Variability program

Definitive feasibility study to be completed during second half of 2019

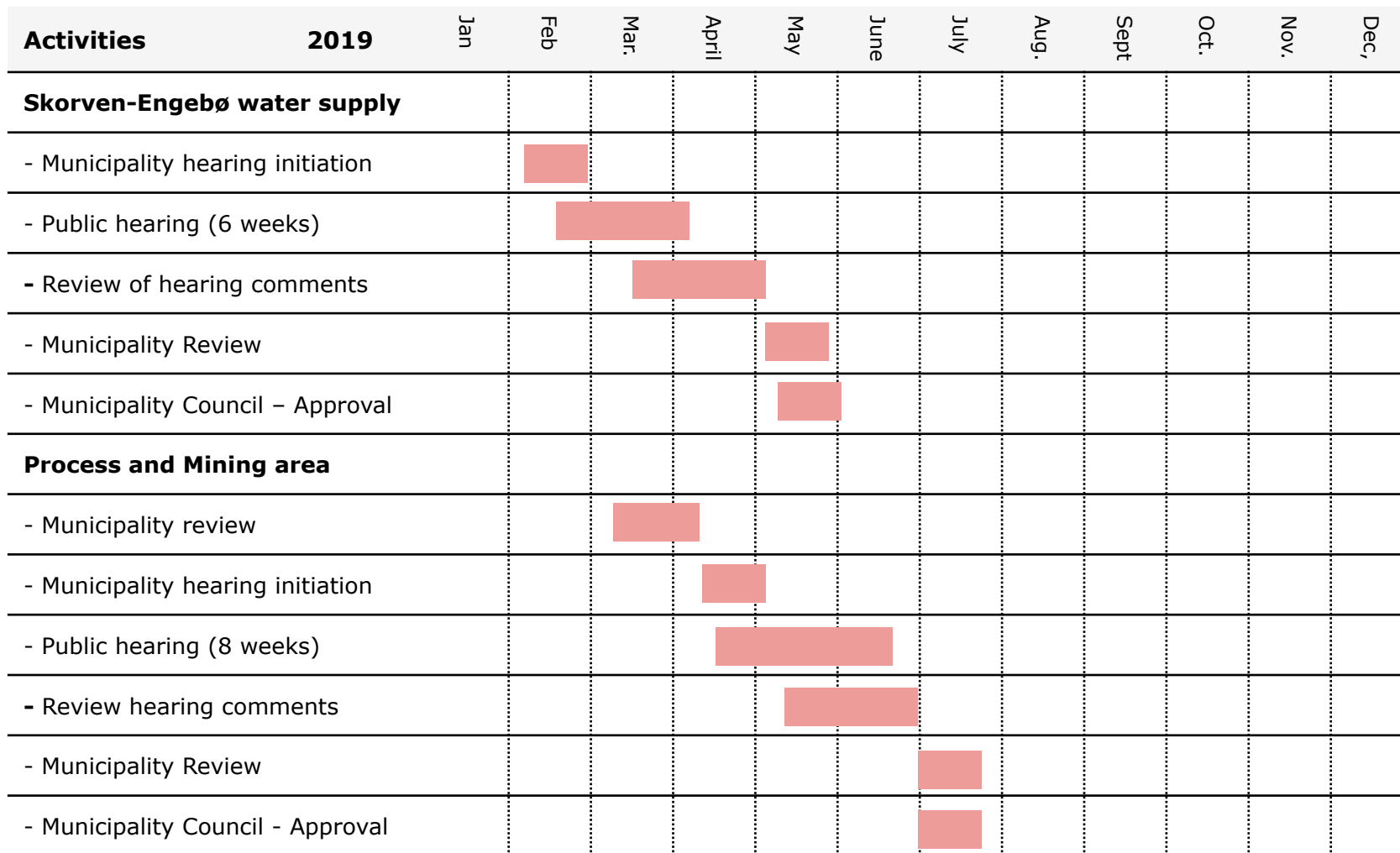
Engineering has commenced and procurement has issued bid packages to market with items not directly linked to the comminution and garnet process



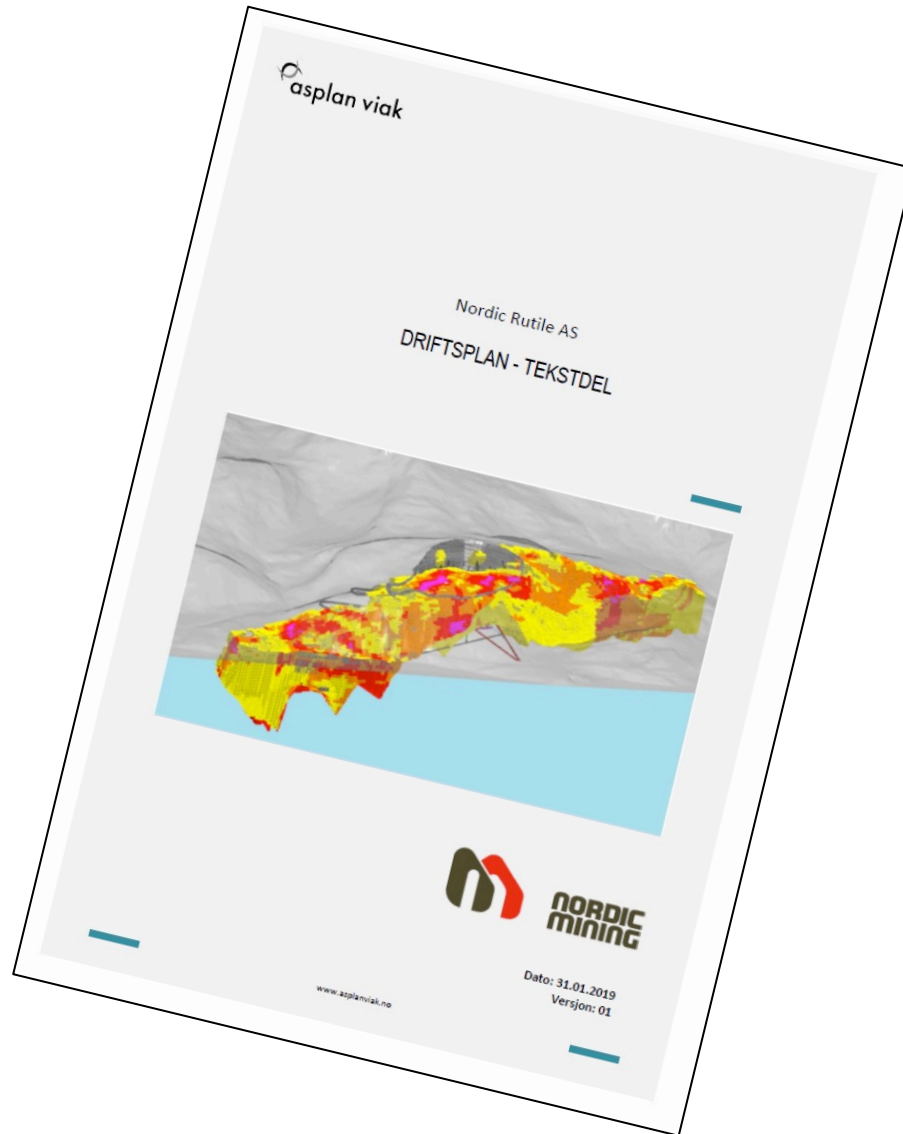
Infrastructure planning and engineering

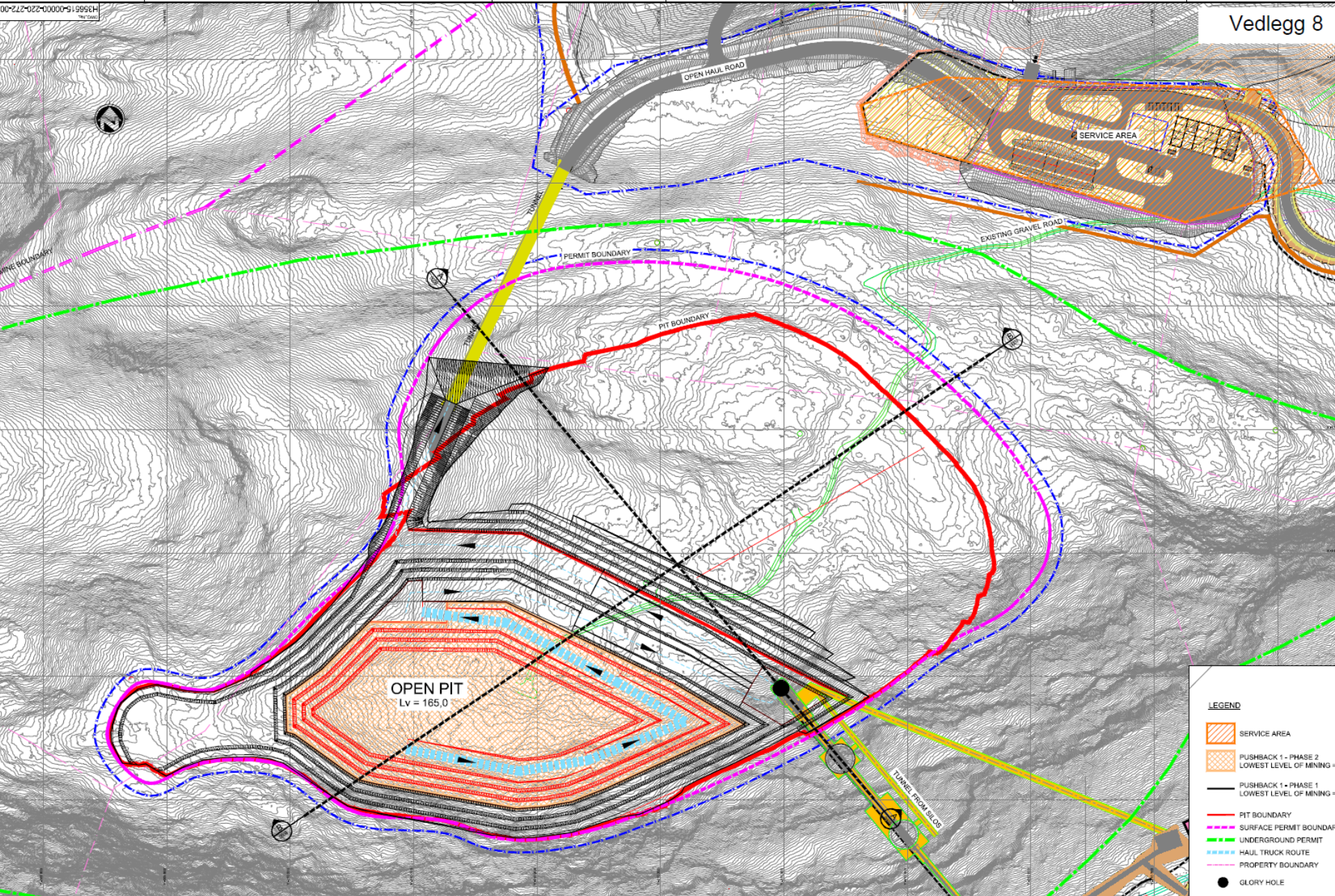


Detailed regulation of water supply and mine site



Operational license filed on 1 February





LEGEND

- SERVICE AREA
- PUSHBACK 1 - PHASE 2 LOWEST LEVEL OF MINING
- PUSHBACK 1 - PHASE 1 LOWEST LEVEL OF MINING
- PIT BOUNDARY
- SURFACE PERMIT BOUNDARY
- UNDERGROUND PERMIT
- HAUL TRUCK ROUTE
- PROPERTY BOUNDARY
- GLORY HOLE

DATE	DESCRIPTION
03-202-072-0000-0001	PUSHBACK 2 - PHASE 4
03-202-072-0000-0002	PUSHBACK 2 - PHASE 3
03-202-072-0000-0003	PUSHBACK 2 - PHASE 2
03-202-072-0000-0004	PUSHBACK 2 - PHASE 1
03-202-072-0000-0005	PUSHBACK 1 - PHASE 2
03-202-072-0000-0006	PUSHBACK 1 - PHASE 1
03-202-072-0000-0007	PLANT BLOCK PLAN

DATE	REVISION NUMBER	REVISION DESCRIPTION

DATE	BY	CHKD	DATE	ROLE	NAME	DATE

HATCH

DATE	BY	CHKD	DATE	ROLE	NAME	DATE

Client Approved: _____

ENGEO RUTILE & GARNET FEASIBILITY STUDY

MINING SEQUENCE PLAN PUSHBACK 1 - PHASE 2 LAYOUT

SCALE: 1:5000

DWG. NO. H356515-00000-220-272-0005-00

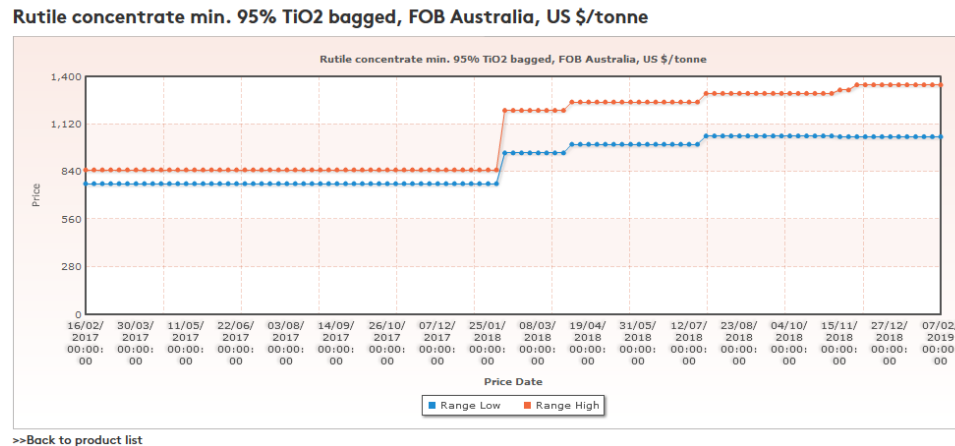
High grade TiO₂ feedstock markets with increasing prices

Iluka: Rutile production in 2018 was down 22% to 122 kt, compared to 168 kt in 2017

New contract prices for natural rutile: Exceeding USD 1,100 for pigment and USD 1,300 for welding, up approx. 23% from 2018

Lomon Billions: Announcing price increase of TiO₂ pigments in China

Toho Titanium: Titanium metal sales increased by 19,1 % in 2018

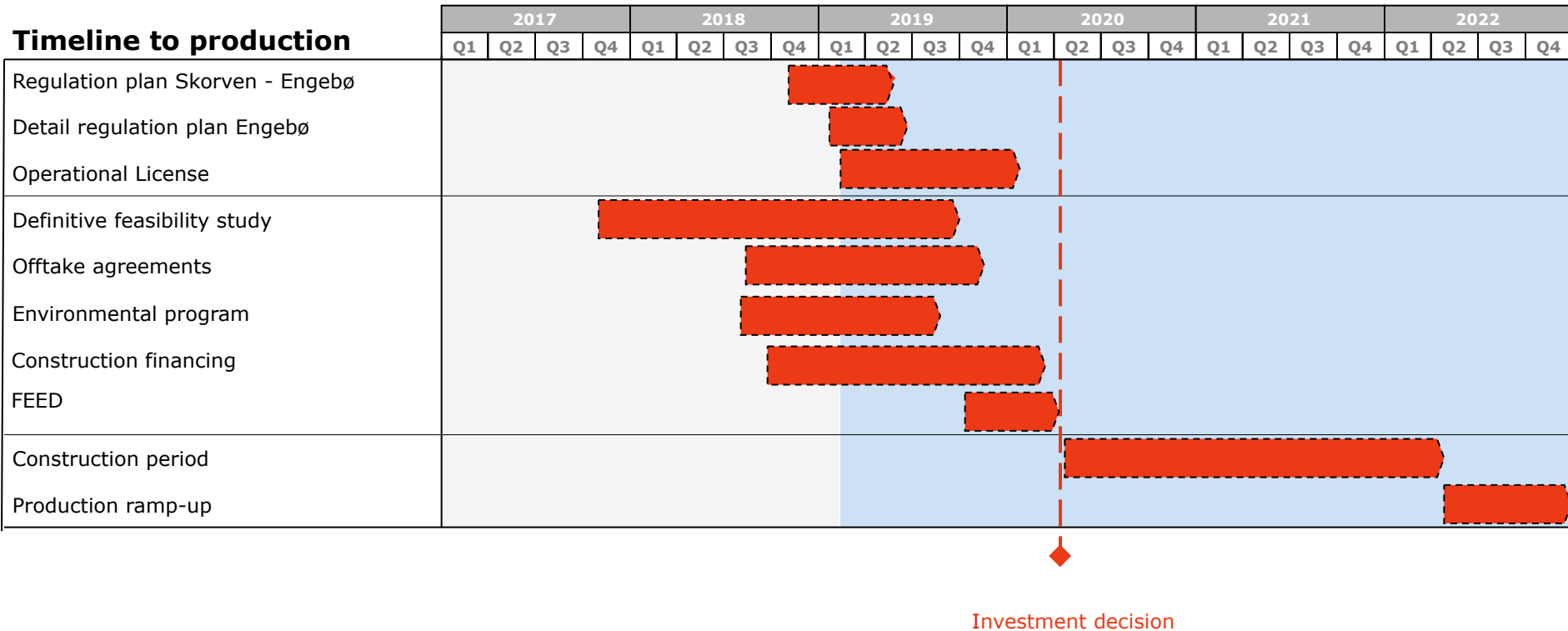


Garnet market suffers from unreliable supply

- Garnet is the only viable medium for use in waterjet cutting
- Consistency in quality is a key success factor, in particular for waterjet
- Garnet for waterjet is the primary growth market in Europe
- Supply situation out of India remains unclear and unsettled with no indication of a near-term solution
- Prices estimated to have increased by approx. 10% over the last 12 months
- Supply of coarse garnet is limited



Tentative timeline towards production



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Equity issue successfully completed

- On 15 February 2019, Keliber completed a share issue with total gross proceeds of EUR 10m
- The proceeds will be used for pre-construction development work and financing preparations, i.a. IPO
- Following the share issue, the state-owned company Finnish Minerals Group is the largest shareholder with 24.3%
- Nordic Mining's shareholding was diluted from 22.0% to 18.5%



- Nordic Mining's investment in Keliber will be reclassified in the financial statements from an «Associate» to a «Financial Asset Measured at Fair Value Through Profit and Loss» under IFRS 9
- An accounting gain of approximately NOK 100m will be recognised in the Q1 interim financial statements; no tax implications



Steady progress towards construction and production

- Test work successfully completed demonstrating production of battery-grade lithium hydroxide
- Technical and financial assessments of hydroxide scheme targeting DFS standard to be completed in Q1 2019
- If positive, production of hydroxide will offer improved economics
- Permit granted for the Syväjärvi deposit; remaining permits targeted within Q3 2019
- Ongoing offtake discussions are targeting bankable arrangements
- Dialogues with banks and other sources of debt financing are progressing
- Carnegie and Nordea mandated for equity financing including assessment of IPO
- Planned construction start in 2019
- Commencement of production targeted in 2021



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Safety – Environment - Innovation



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