


 Early construction works progressing

 Fully permitted project

 Large deposit with unique location

 Significant funds from Keliber exit

Minerals for a sustainable future



EN Expand Oslo: NOM
**NORDIC
MINING**

Q2 2022 Interim Presentation

August 16, 2022

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Agenda

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

Q2 2022 Highlights – over USD 80 million equity secured for Engebø YTD

- Good progress on early construction works at Engebø, production start-up in H2 2024 maintained
- Engebø rutile documented as most climate friendly titanium feedstock
- Rutile offtake agreement and investment of USD 20 million signed with Iwatani
- Keliber agreed sold for EUR 46.9 million with return of over 540% on investment
- Financing of Engebø significantly derisked with over USD 80 million equity secured¹

Sustainable production of high-end industrial minerals and metals



Rutile (Titanium dioxide)

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



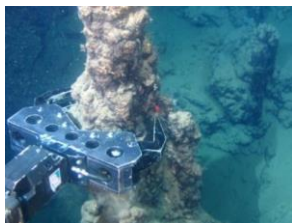
Garnet

- Health and environmentally friendly cutting and blasting material



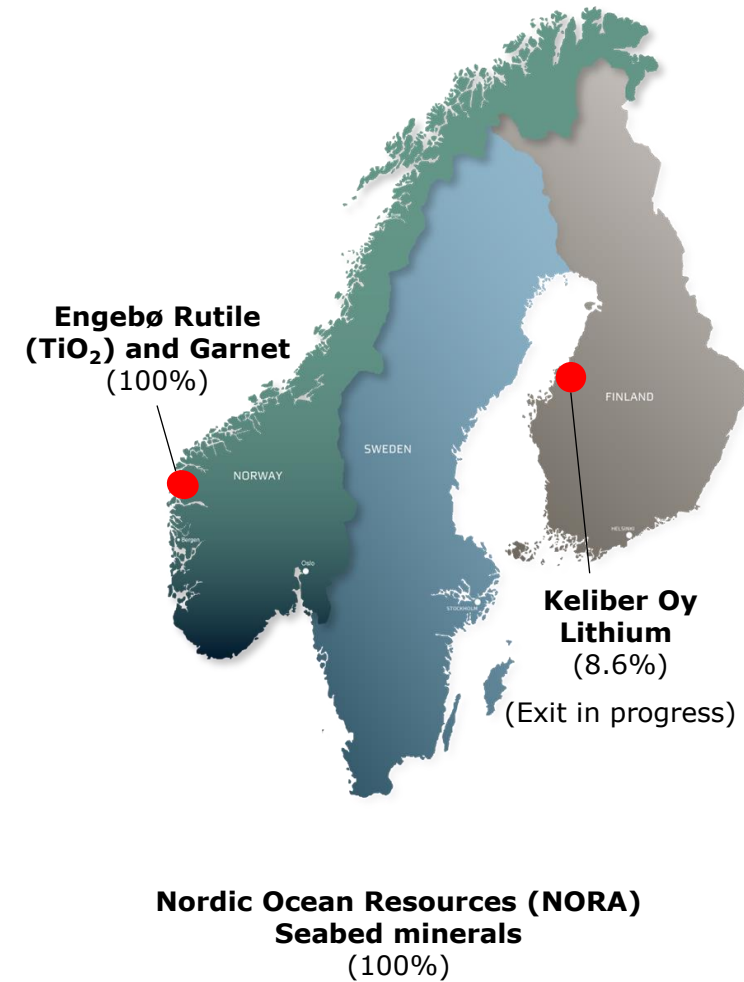
Lithium

- Batteries for electric vehicles and renewable energy storage



Copper/Zinc/Manganese/Cobalt

- Critical minerals from seabed mineral resources



Sustainability at the core of our business



Environmentally responsible



- ✓ Work towards zero-emission operations and contribute to reduce value-chain emissions
- ✓ Establish management systems to assess, avoid, reduce and monitor negative impact on environment
- ✓ Restore and compensate loss of biodiversity with the long-term goal of net gain



Positive impact on communities



- ✓ Establish relations based on transparency, trust, and respect with communities and stakeholders
- ✓ Value local knowledge and capabilities and respect cultural, political and social diversity
- ✓ Promote initiatives to strengthen economic diversification and positive impact on communities



Safe and healthy work environment



- ✓ Build operations with safety embedded in the culture and mindset of the way we work and conduct business
- ✓ Map and analyze risk associated with our activities and products
- ✓ Promote diversity and mutual respect among employees

Group ESG Policy anchored in UN's SD Goals and the Towards Sustainable Mining framework



Towards Sustainable Mining
Bærekraft i Norsk Bergindustri

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Health & Safety

Key Performance indicator	Q2	Year 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	0	0	0
Low potential incidents	18	18	-

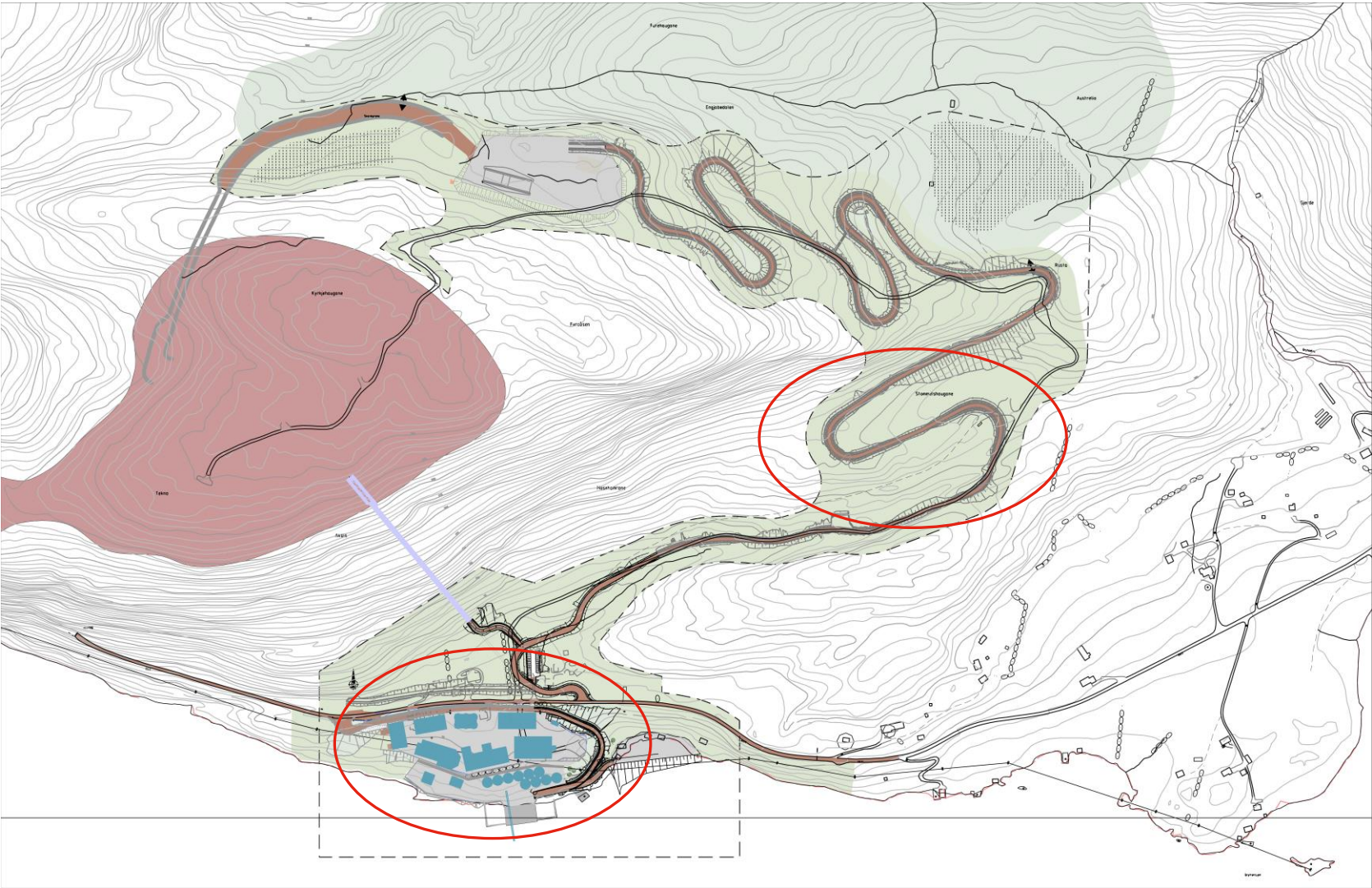
HSE status

- Mandatory HSE training completed for workforce
- No injuries in Q2

Incidents

- Handling of asbestos cement sheets
 - The Norwegian Labor Inspection Authority (Arbeidstilsynet) carried out a document inspection of Nordic Rutile AS regarding the asbestos case. The result of the inspection was "no violation of the regulations"
 - All asbestos removed from site
 - Samples from surrounding area show no spread of asbestos
 - Actions has been taken to improve follow-up of EPC contractor

Good progress on engineering and early construction works



Levelling of lower part of process area next to quay



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Construction of access road



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Construction of access road



Environmental monitoring



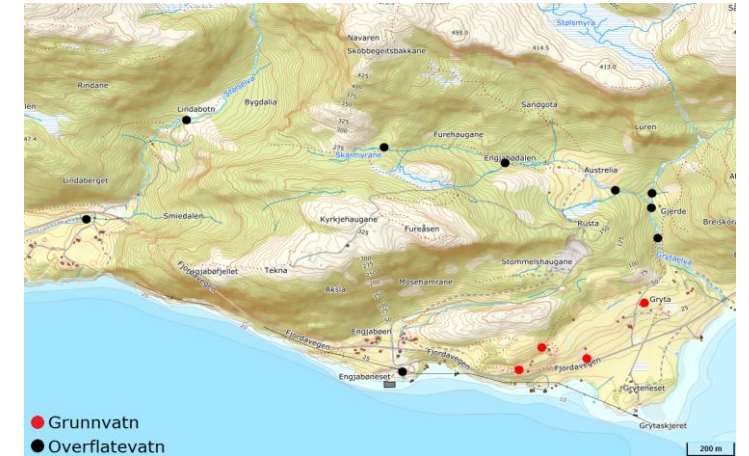
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Environmental monitoring

A comprehensive monitoring program has been implemented:

- Developed in collaboration with DNV
- Air born dust measurements
- Soil and water quality measurements
- Monitoring of particles concentrations in marine surface water
- Noise measurements on land
- Noise and vibration measurements in sea
- Mapping of terrestrial and marine biodiversity data
- Monitoring juvenile smolt migration
- Shoreline biodiversity



Stations for water quality measurements



Dust monitoring



Water sampling

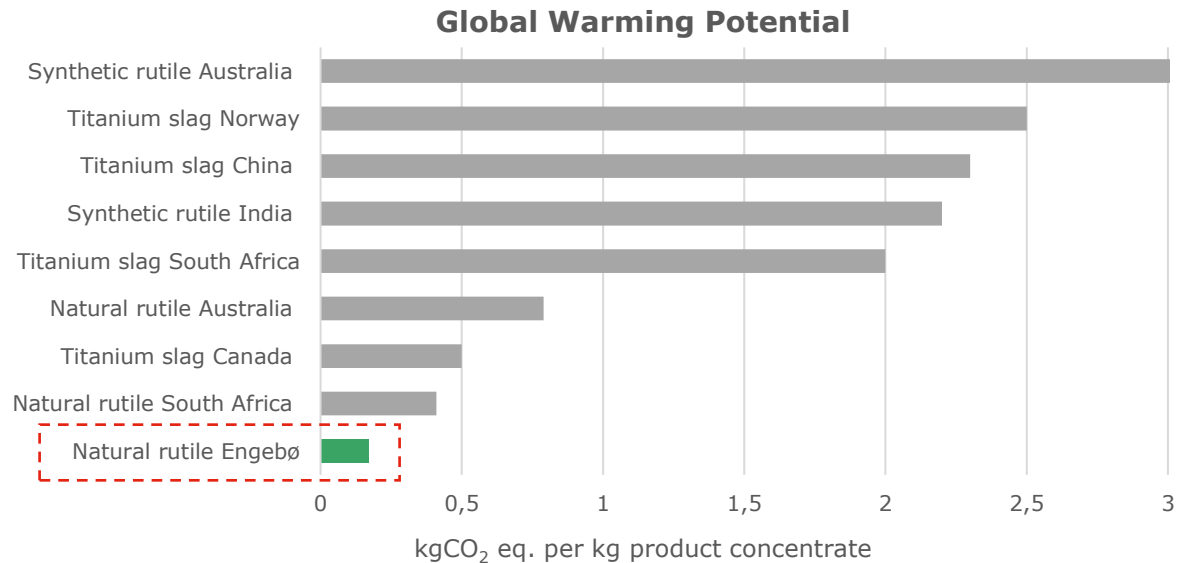


Marine measurements

Engerbø rutile the most climate friendly titanium feedstock



Life Cycle Analysis proves superior rutile product



- Life Cycle Analysis (LCA) carried out by Minviro, UK including comprehensive assessment of GHG emissions¹
- LCA proves superior Global Warming Potential (GWP) for Engebø Rutile at 0.17 kgCO₂ eq per tonne rutile produced (including Scope 1, 2 and 3 emissions)
- Benchmarking shows top-rating of Engebø rutile in the titanium value chain with 10 to 30 orders of magnitude lower GWP compared to natural rutile, slag and synthetic rutile products
- Engebø target zero emissions by phasing out fossil fuel dependency for mining fleet



Final agreements signed with strategic long-term partner Iwatani

In June, Nordic Mining signed final rutile offtake agreement and investment agreements with Iwatani Corporation.

The agreements comprises:

- Long-term offtake of 20,000 tonnes per annum of natural rutile from Engebø over 5 years
- NOK 191.7 million equity investment into Nordic Mining ASA at the same subscription price as for the contemplated broader equity raise
- The agreements are subject to close of the project financing package for the Engebø Project and certain conditions relating to the equity investment in the Company having been fulfilled



Long-term offtake agreements provide revenue visibility

Rutile

Iwatani 

Binding offtake agreement signed in June 2022

5-year agreement
From commencement of production

20,000mt per year

Take-or-Pay commitment

Price determined from TZMI index

Mutual renewal of 3 years
With 15 months notice

 **KRONOS** 

Final negotiations on binding offtake agreement

5-year agreement
From commencement of production

12,000mt per year

Take-or-Pay commitment

Annual price discussions

Mutual renewal of 5 years

Garnet

EU Partner



Ongoing negotiations on offtake agreement

5-year agreement
From commencement of production

**Volume build-up with
«Committed» and
«Best effort» volumes**

Annual price discussions

US Partner



**MOU signed for garnet distribution
in the US and Canada**
Target volume 50,000 mt

Q2 remained firm for TiO₂ pigment production and titanium metal

Rutile prices reported to be in excess of USD 1,500/mt FOB in H1 2022, with main producers expecting continued price increases in H2 2022

TiO₂ pigment

- Strong market conditions for titanium dioxide pigment and overall industry utilization rates remain high
- Major pigment producers report increased sales and strong EBITA margins in Q2
- Feedstock demand remained strong and the war in Ukraine restricts rutile and ilmenite supply and favors Western suppliers of feedstock
- TiO₂ pigment inventory levels remain low and below seasonal norms

Titanium metal

- Aerospace applications demand is increasing due to revival of air traffic as well as demand for non-Russian products
- Strong demand for titanium metal into general industrial and semiconductor applications



Drivers for garnet remain strong

Garnet

- Ongoing growth in demand for high quality garnet in both waterjet cutting and abrasive blasting
- Drivers are the investments in infrastructure, oil and gas industry as well as shipbuilding and manufacturing. The aerospace industry is an important driver as well
- Price increases for garnet in Europe are expected in 2022 due to the significant increase of freight rates, in particular from Chinese ports
- NM are experiencing strong interest for garnet



Financing significantly derisked with over USD 80 million in equity secured

- NM has YTD secured over USD 80 million in equity for Engebø¹:
 - NOK 132.5 million investment structured as convertible loan from EPC investor group
 - NOK 191.7 million equity investment from strategic partner Iwatani Corporation
 - EUR 46.9 million from sale of Keliber shares to be contributed as equity towards Engebø
- Full project financing package will be in excess of USD 250 million comprising debt, equity and potential hybrid capital or royalty
- NM is in negotiations with selected investors for possible participation in project financing, for which terms, timing and transaction structure will be announced in due course



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Sale of stake in Keliber Oy secures funding of EUR 46.9 million

- NM has agreed to sell its shares in Keliber to Sibanye Stillwater for a cash consideration of EUR 157.28 per share, in total EUR 46.9 million
 - ~15% above of the Group's fair value per Q1 of EUR 137 per share
- Return of over 540% on historical investment of around NOK 75 million¹
- NM 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
- Funds from the sale are unrestricted and will be contributed as equity towards the project financing package for Engebø
- The sale is subject to condition that no material adverse change has occurred before completion of the sale

Nordic Mining will continue to focus on high-end industrial minerals and metals going forward, including battery minerals



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Fully funded up to close of remaining project financing

The Group's balance sheet remains solid:

- NOK 39.6 million in cash - NOK 22.5 million on Escrow account to continue construction works
- Engebø development costs of NOK 116.8 million capitalized under «Mine under construction»
 - Early construction works in Q2 of around NOK 88 million, including acquisition of properties
 - Reclassification of Exploration and Evaluation asset of around NOK 29 million
- Fair value gain on Keliber investment in the quarter of NOK 88.6 million, following agreement to sell shares to Sibanye-Stillwater for EUR 46.9 million (EUR 157.28 per share)
- Fair value of interest-bearing convertible loan assessed to NOK 145.3 million, recognizing a fair value loss in the quarter of NOK 7.3 million

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

Q2-2022 Unaudited	Q2-2021 Unaudited	Amounts in NOK million	Acc.2022 Unaudited	Acc.2021 Unaudited	2021 Audited
-	-	Other income	-	0.2	0.2
(1.5)	(4.5)	Payroll and related costs	(5.9)	(8.7)	(16.2)
(0.0)	(0.0)	Depreciation and amortization	(0.1)	(0.1)	(0.1)
(9.7)	(7.8)	Other operating expenses	(23.0)	(19.6)	(44.5)
(11.3)	(12.3)	Operating profit/(loss)	(29.0)	(28.2)	(60.7)
88.6	2.1	Fair value gains/losses on investments	294.5	(2.9)	66.4
(7.3)	-	Fair value gains/losses on convertible loan	(12.8)	-	-
0.0	(0.2)	Financial items	(6.1)	(0.2)	(0.3)
70.0	(10.4)	Profit/(loss) before tax	246.6	(31.3)	5.4
-	-	Income tax	-	-	-
70.0	(10.4)	Profit/(loss) for the period	246.6	(31.3)	5.4

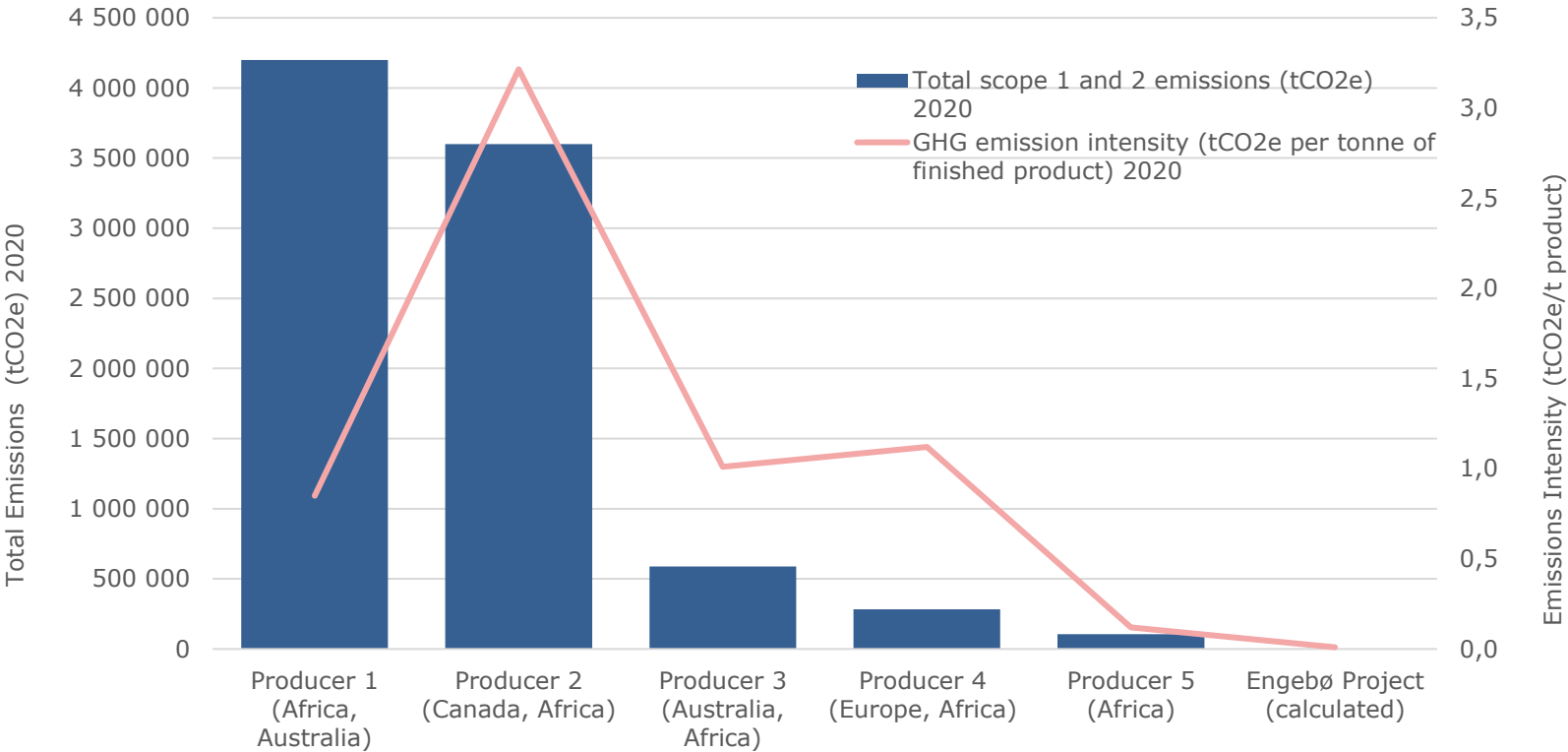
Appendix #2 Consolidated statement of financial position

Amounts in NOK million	30.06.2022 Unaudited	31.12.2021 Audited
ASSETS		2
Evaluation and exploration assets	-	28.8
Mine under construction	1 116.8	-
Property, plant and equipment	0.2	0.2
Right-of-use assets	0.2	0.2
Financial investments	485.1	190.5
<i>Total non-current assets</i>	<i>602.2</i>	<i>219.8</i>
Cash and cash equivalents	39.6	32.1
Restricted cash	22.5	-
Trade and other receivables	6.6	3.4
<i>Total current assets</i>	<i>68.7</i>	<i>35.5</i>
Total assets	670.9	255.3
SHAREHOLDERS' EQUITY AND LIABILITIES		
<i>Total equity</i>	<i>499.7</i>	<i>245.7</i>
<i>Total non-current liabilities</i>	<i>1.1</i>	<i>1.2</i>
Trade payables	16.4	3.1
Convertible loan	145.3	-
Other current liabilities	8.4	5.4
<i>Total current liabilities</i>	<i>170.0</i>	<i>8.5</i>
Total liabilities	171.2	9.6
Total shareholders' equity and liabilities	670.9	255.3

- 1 Early construction works costs in Q2 of around NOK 88 million, including acquisition of properties, capitalized under «Mine under construction»
- 2 Exploration and Evaluation asset of around NOK 29 million reclassified to «Mine under construction»

Appendix #3 Engebø has superior climate footprint

Titanium producers analysis
Total Scope 1 and 2 Emissions vs Emission Intensity



Climate goals

- To produce top-rated products on Global Warming Potential
- Work towards zero-emissions by electrification of mining fleet
- Collaborate with suppliers and customers to further reduce discharge from the total value chain

- Engebø project is superior on Green House Gas (GHG) emissions compared to other titanium raw material producers
- Engebø project has reduced its carbon footprint with 85% by switching from gas to electrical dryers

Appendix #4 Goal of net gain for biodiversity

New methods for continuous tracking of biodiversity

- As a response to The UN Convention on biodiversity 'The Post-2020 Global Biodiversity Framework', the Engebø project has a goal of net gain for biodiversity over the Life of Mine
- A Biodiversity Action Plan is being developed in collaboration with DNV to implement systems to avoid, reduce, restore and compensate loss of biodiversity from our activities to achieve project goals

