



Lighter aircrafts



Clean air



**Minerals for a sustainable future**  
**OAX: NOM**



Renewable energy



Electric cars



**NORDIC  
MINING**



**OAX: NOM**

Q1 2017 Presentation

Oslo, 12 May 2017



*Exploration and production of high-end minerals and metals*

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1. Introduction
2. Financial status
3. Update on projects
  - Engebø, rutile and garnet
  - Keliber Oy, lithium
  - Nordic Ocean Resources, seabed minerals
4. Questions



# Developing high-value assets in the Nordic Region



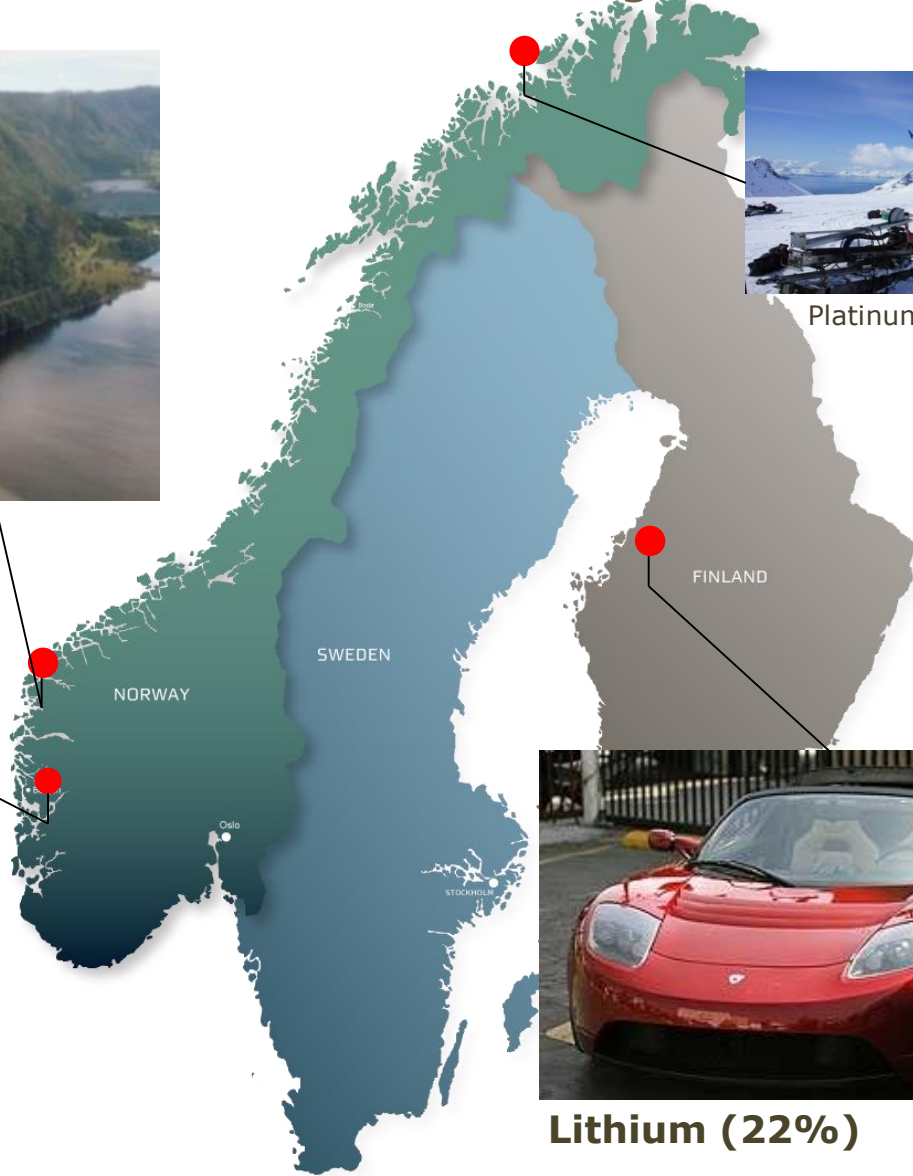
**Rutile and garnet (100%)**



High Purity Quartz



Seabed minerals



Platinum, Palladium



**Lithium (22%)**



# NOM - Attractive value growth proposition

**OAX: NOM**

- *Profitable first quarter due to upgrade of Keliber value*
- *Fully financed for planned development activities in 2017*
- *Value increasing feasibility studies well under way*
- *Engebø mining and processing scenarios based on two attractive minerals*
- *Improved market outlook for rutile*
- *Increasing production and sales potential for Engebø garnet*
- *Successful equity financing in Keliber in March/ April 2017 with €10.1 million*
- *Lithium prices doubled in 2017; continued strong market outlook*



Rutile & Garnet



Lithium



High Purity Quartz



**Ti**

Diverse and unique properties  
Key to a greener society

**Li**



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# Consolidated Income Statements

| Q1-2017<br>Unaudited | Q1-2016<br>Unaudited | Amounts in NOK million              | Acc. 2017<br>Unaudited | Acc. 2016<br>Unaudited | 2016<br>Audited |
|----------------------|----------------------|-------------------------------------|------------------------|------------------------|-----------------|
| -                    | -                    | Sales                               | -                      | -                      | -               |
| (2.6)                | (1.6)                | Payroll and related costs           | (2.6)                  | (1.6)                  | (7.8)           |
| -                    | -                    | Share-based payment                 | -                      | -                      | (1.4)           |
| -                    | -                    | Impairment of exploration assets    | -                      | -                      | (1.3)           |
| (7.6)                | (1.6)                | Other operating expenses            | (7.6)                  | (1.6)                  | (12.4)          |
| <b>(10.1)</b>        | <b>(3.2)</b>         | <b>Operating loss</b>               | <b>(10.1)</b>          | <b>(3.2)</b>           | <b>(23.0)</b>   |
| 10.2                 | (0.5)                | Share of result of an associate     | 10.2                   | (0.5)                  | (4.2)           |
| -                    | -                    | Financial items                     | -                      | -                      | 0.1             |
| +0                   | (3.7)                | Profit/(loss) before tax            | +0                     | (3.7)                  | (27.1)          |
| -                    | -                    | Income tax                          | -                      | -                      | -               |
| <b>+0</b>            | <b>(3.7)</b>         | <b>Profit/(loss) for the period</b> | <b>+0</b>              | <b>(3.7)</b>           | <b>(27.1)</b>   |

Share of result of an associate consists of the following:

|                               |                  |
|-------------------------------|------------------|
| Share of Keliber's loss       | NOK -2.0 million |
| Reversal of impairment        | NOK 5.1 million  |
| Profit from a deemed disposal | NOK 7.1 million  |
| Total                         | NOK 10.2 million |



# Consolidated Statements of Financial Position

| Amounts in NOK million                      | 31.03.2017<br>Unaudited | 31.12.2016<br>Audited |
|---|-------------------------|-----------------------|
| <b>ASSETS</b>                               |                         |                       |
| Evaluation and exploration assets           | 21.3                    | 21.2                  |
| Property, plant and equipment               | 0.3                     | 0.3                   |
| Investment in an associate                  | 25.2                    | 15.0                  |
| <i>Total non-current assets</i>             | <i>46.7</i>             | <i>36.6</i>           |
| Cash  | 62.6                    | 66.1                  |
| Other current assets                        | 1.5                     | 1.3                   |
| <i>Total current assets</i>                 | <i>64.0</i>             | <i>67.4</i>           |
| <b>Total assets</b>                         | <b>110.8</b>            | <b>104.0</b>          |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b> |                         |                       |
| <i>Total equity</i>                         | <i>103.4</i>            | <i>97.0</i>           |
| Non-current liabilities                     | 1.1                     | 1.1                   |
| Current liabilities                         | 6.3                     | 5.9                   |
| <i>Total liabilities</i>                    | <i>7.4</i>              | <i>7.0</i>            |
| <b>Total equity and liabilities</b>         | <b>110.8</b>            | <b>104.0</b>          |



# Investment in the associated company Keliber Oy

- As per 31 March 2017, the carrying amount of the investment in Keliber in the consolidated financial statements is NOK 25.2 million
- Nordic Mining's shareholding in Keliber is approximately 22.1% (April 2017)
- The subscription price in the private placement in Keliber in March 2017 corresponds to a pre-money valuation of Keliber of more than NOK 300 million
- Subsequent of the equity issues in March/April 2017 the corresponding post-money valuation exceeds NOK 400 million



# Shareholder structure and share price development

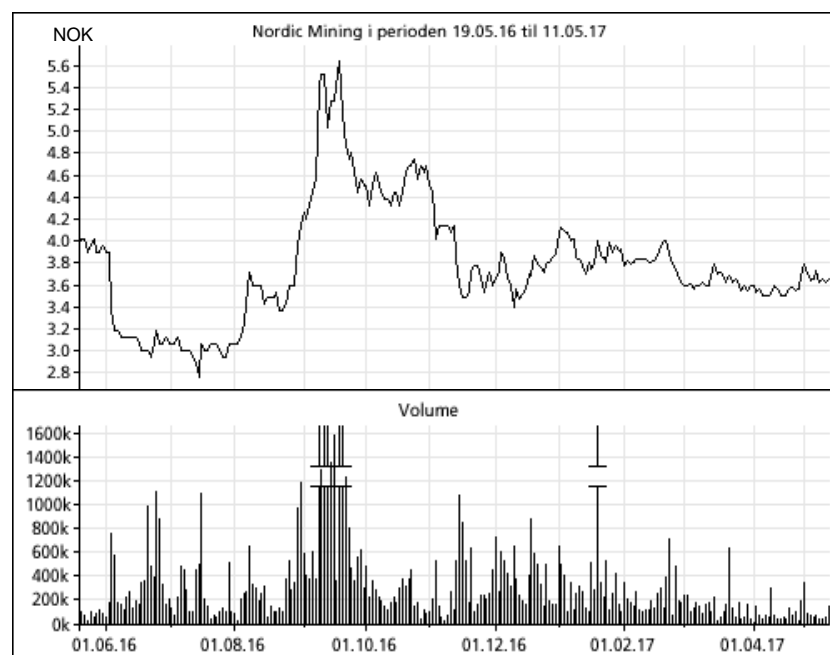
## Largest shareholders\*

|    | Name of shareholder                          | No. of shares     | %              |
|----|--|-------------------|----------------|
| 1  | NORDNET BANK AB (NOMINEE)                    | 8 845 874         | 9,3 %          |
| 2  | NORDEA BANK FINLAND (NOMINEE)                | 4 652 294         | 4,9 %          |
| 3  | SONGA TRADING INC.                           | 3 136 230         | 3,3 %          |
| 4  | NORDNET LIVSFORSIKRING                       | 2 765 281         | 2,9 %          |
| 5  | DANSKE BANK A/S (NOMINEE)                    | 1 722 737         | 1,8 %          |
| 6  | DYBVAD CONSULTING AS                         | 1 674 278         | 1,8 %          |
| 7  | CITIBANK N.A. S/A POHJOLA BANK PLC (NOMINEE) | 1 484 925         | 1,6 %          |
| 8  | ALDEN AS                                     | 1 370 942         | 1,4 %          |
| 9  | MAGIL AS                                     | 1 300 000         | 1,4 %          |
| 10 | INFOSAVE AS                                  | 1 235 609         | 1,3 %          |
| 11 | OVE KLUNGLAND HOLDIN NIL                     | 1 136 780         | 1,2 %          |
| 12 | KNUT FOSSE AS                                | 1 004 240         | 1,1 %          |
| 13 | VPF NORDEA AVKASTNING C/O JP MORGAN EUROPE   | 1 002 963         | 1,1 %          |
| 14 | LITHION AS                                   | 1 000 977         | 1,1 %          |
| 15 | SNATI AS                                     | 975 000           | 1,0 %          |
| 16 | OLAV BIRGER SLETTEN                          | 911 000           | 1,0 %          |
| 17 | ADURNA AS                                    | 873 500           | 0,9 %          |
| 18 | OLE KRISTIAN G. STOKKEN                      | 751 043           | 0,8 %          |
| 19 | TIGERSTADEN AS                               | 750 000           | 0,8 %          |
| 20 | MELWIN KVALE                                 | 626 345           | 0,7 %          |
|    | Top 20 shareholders                          | 37 220 018        | 39,3 %         |
|    | Others                                       | 57 605 450        | 60,7 %         |
|    | <b>Total</b>                                 | <b>94 825 468</b> | <b>100,0 %</b> |

## Share overview and share price development\*

### Share overview

|                                |             |
|--------------------------------|-------------|
| Number of issued shares        | 94 825 468  |
| Owned by management            | 2.2%        |
| Options                        | 2 696 667   |
| - of which owned by management | 2 466 667   |
| Fully diluted number of shares | 97 522 135  |
| Current share price (NOK)      | 3,66        |
| Market capitalisation (NOKm)   | 347         |
| Trading range YTD (NOK)        | 3.45 - 4.29 |



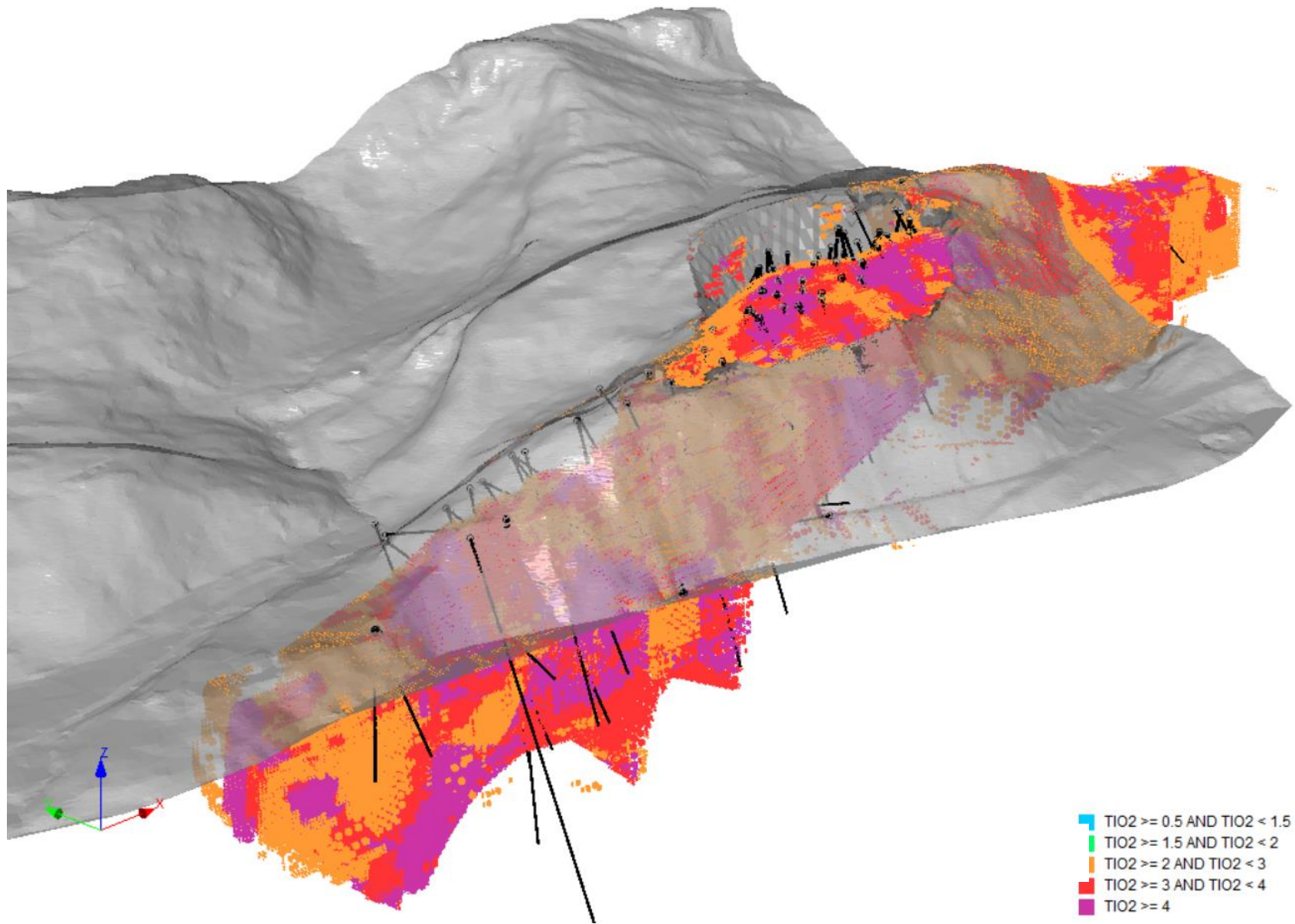
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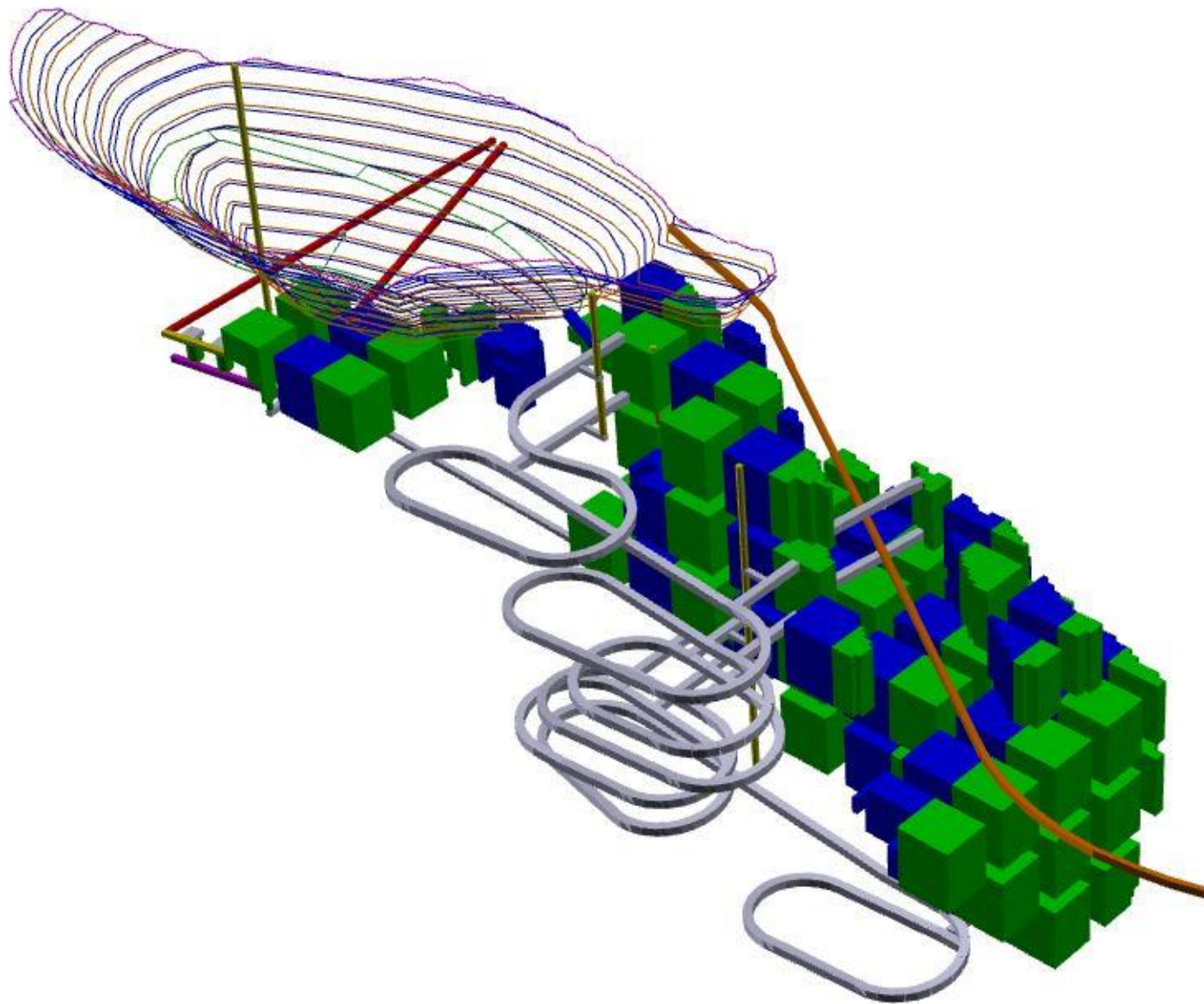




## Engebø rutile and garnet

- ✓ One of the world's largest deposits of natural rutile
- ✓ Highest grade among current producers and projects
- ✓ Significant content of garnet
- ✓ Impurities at background levels
- ✓ Located next to tidal waters and European markets
- ✓ Permitted for 50 years of operation





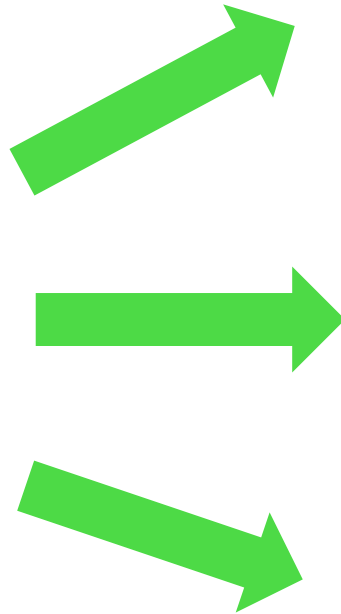


# Rutile concentrate has three main applications:



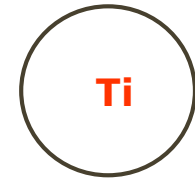
93 - 95%  $\text{TiO}_2$

790,000 tpa



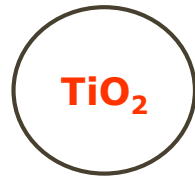
Titanium

(12%)



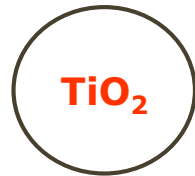
Pigment

(64%)



Welding rods

(24%)



Titanium has unique properties both as oxide and metal

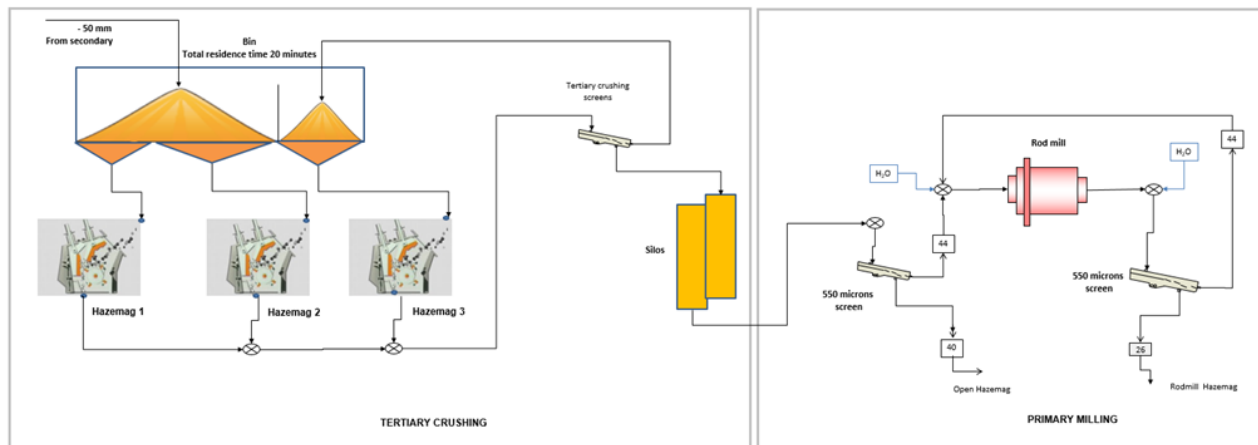


HATCH

Together we can build positive change



- Comminution cycle defined
- Flowsheet configuration near completion



- Comprehensive test program for comparison and analysis of different comminution setups carried out with Mintek and IMS in South Africa
- Various alternatives have been screened based on analysis of i.a. liberation, fines and cost



# Significant progress on garnet processing



Garnet concentrate



Spiral separation



Processed products

- Fine garnet products have been produced according to market specifications, with grade at approx. 93%
- Comprehensive test work is ongoing in order to improve quality and grade on the coarser garnet products



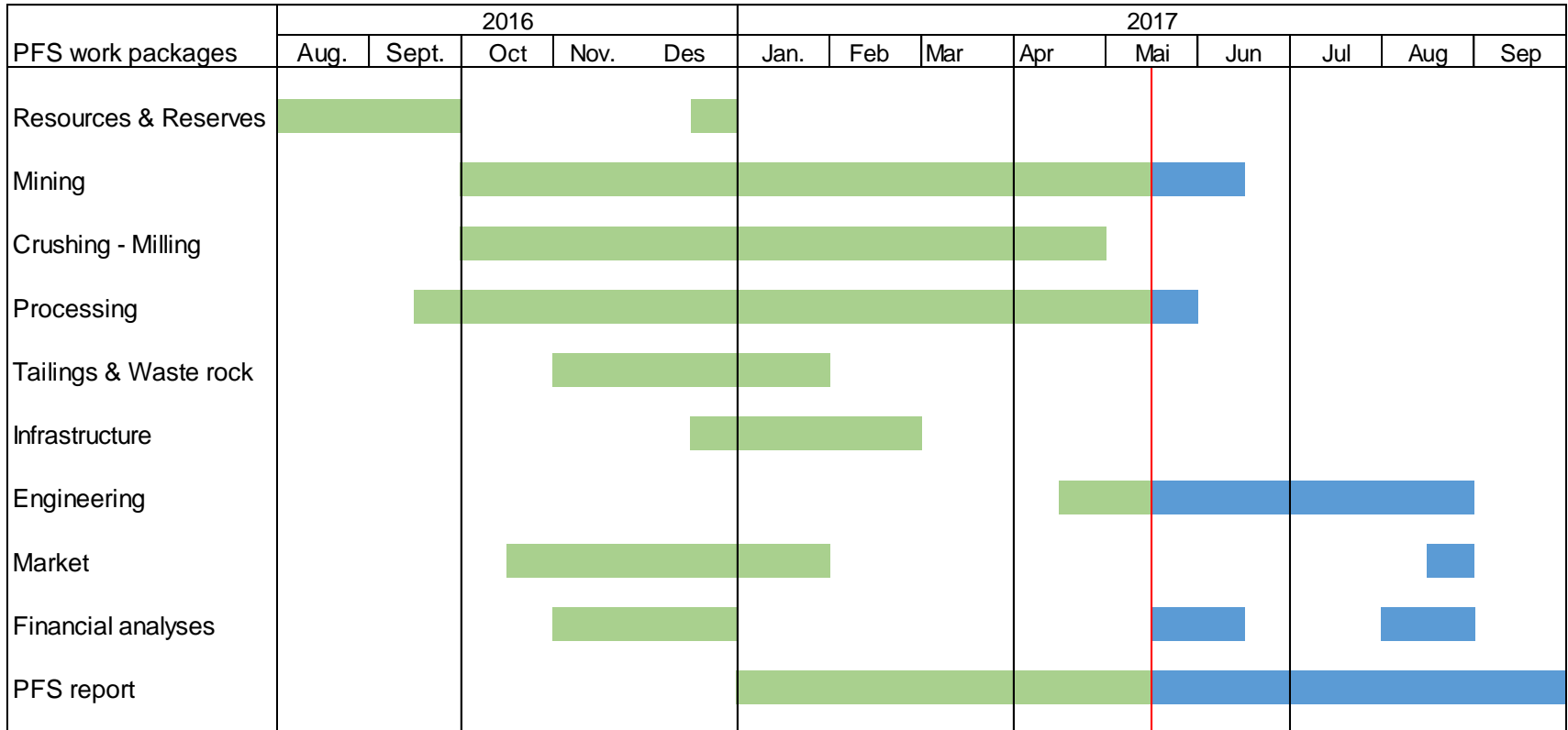
# Process test work with large scale equipment



- A rutile concentrate of 95%  $\text{TiO}_2$  have been produced which meets all market specifications related to impurities and particle size criterias for the pigment industry
- Test work has demonstrated recoveries exceeding 50%. Continued test work will focus on enhancing the recovery for rutile

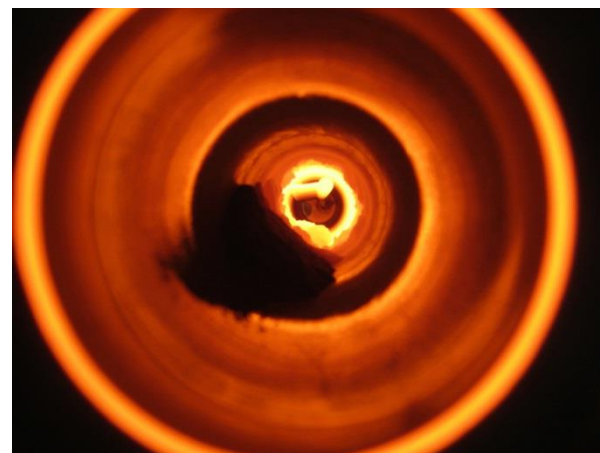


# PFS targeted to be finalised during 3<sup>rd</sup> quarter 2017



# Good progress on Keliber's lithium project

- Successful equity financing in March/April 2017 with gross proceeds of around €10.1 million
- Results from 4,000 meter winter drilling campaign expected in Q2 2017
- Feasibility study (DFS) well under way; completion targeted in Q3 2017
- Keliber targets completion of permitting process and start of construction in 2018
- Contract prices for lithium carbonate doubled from 2016 to 2017; continued strong market outlook
- Strengthened management team with permanent CFO and new chief geologist



# Norwegian government has issued new seabed minerals code for public hearing



Regjeringen.no

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Spennende fremtidsperspektiver - ny havbunnsminerallov på høring

## Spennende fremtidsperspektiver - ny havbunnsminerallov på høring

Nyhet | Dato: 10.05.2017

Olje- og energidepartementet sender i dag på høring forslag til ny lov om mineralvirksomhet på kontinentalsokkelen. Høringsfrist er satt til 10. august.

**- Det er med stolthet og forventning jeg i dag sender på høring forslag til lov om mineralvirksomhet på kontinentalsokkelen. Dette er et område med spennende fremtidsmuligheter for de kommende generasjoner. Etablering av et godt og robust regelverk er viktig for å nå målsettingene for denne virksomheten sier Olje- og energiminister Terje Søviknes (FrP).**

Norge er en av verdens ledende havnasjoner. Vår kystlinje er en av verdens lengste, og vi råder over havareal som er mer enn seks ganger større enn vårt landareal. Dette gir store muligheter også utover dagens etablerte havnæringer. Norske havområder har eksempelvis i liten grad vært utforsket med sikte på mineralforekomster, og utnyttelsen av slike ressurser på sokkelen har vært av begrenset omfang.

Norsk kontinentalsokkel kan inneholde viktige mineralforekomster med

Olje- og energidepartementet

TEMA

Energi

RELATERT

[Høring - forslag til lov om mineralvirksomhet på kontinentalsokkelen](#)

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*Safety – Environment - Innovation*



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