Minerals for a sustainable future

NORDIC MINING

ANNUAL REPORT **2024**

A forward-looking resource company with integrated operations in exploration, extraction and production of high-end minerals and metals

SAFETY | ENVIRONMENT | INNOVATION

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CEO'S REPORT

Safety – Environment – Innovation

Dear shareholder,

Global uncertainty leads to more focus on the secure supply of critical minerals

2024 continued a trend toward increasing global uncertainty. Well established partnerships and alliances are being challenged. Increased protectionism and tariffs mark a shift away from free trade which will impact the trade patterns across most commodities, and not least critical minerals. This has led to a call across Europe for regional production and ample supply of critical minerals.

Engebø plant construction completed, moving into commissioning and production ramp-up

The Engebø project team and contractors continued their progress in the construction of Engebø Rutile and Garnet during 2024. Despite various challenges within construction, logistics as well as currency fluctuations, the progress of the installation of the process plant has been impressive.

The construction was completed in November, and we started the stepwise commissioning of the various elements of the plant. More than 400 000 working hours were recorded by the EPC contractors without any Lost Time Injuries. This is an impressive accomplishment!

On 23 December, we reported that the first few kilograms of mineral concentrate had been produced from the Engebø plant. The complexity of the production ramp-up of a new mine and processing plant cannot be understated. At Engebø we are lucky to have a unique family of entrepreneurial employees with a broad range of skillsets, all needed to tackle the various hurdles in our way as we increase towards design scale production rates.

Our Engebø plant will become a prominent global player within two strategic industrial minerals. We will be the only garnet producer in Europe and the second producer of natural rutile after Ukraine. The strategic position of Engebø as a long-term producer in Europe with excellent access to overseas markets has strengthened beyond what we expected just a few years ago.

Attention to the environment

In our drive towards becoming a mineral producer with a record low carbon footprint, we need to carefully consider the impact our operations will have on nature and biodiversity. In 2024, we completed a comprehensive environmental monitoring program on land and in the marine environment to establish a complete baseline for the status of environment and biodiversity in the Engebø area prior to commencing production.

Nordic Mining has been an active promoter of the Canadian ESG scorecard system Towards Sustainable Mining (TSM) that was developed by the Mining Association of Canada. We intend to report according to TSM from the day we start operating at Engebø and will seek to adapt the TSM to comply with and include other internationally recognized standards for ESG.

A long-term sustainable mineral producer

In 2024, we progressed our development of the high-purity quartz deposit in the Kvinnherad Municipality and in November we started a bulk test program to fully understand the commercial potential of the hydrothermal quartz vein. The preliminary analysis was positive, indicating that the resource has the potential to be amongst the purest quartz products globally.

During the many years of developing a greenfield mine in Norway, the first in nearly four decades, we have gained significant experience and competence that we intend to further leverage. As we enter 2025, we review our strategy to position Nordic Mining for building a new mineral industry for a sustainable future.

Finn Ivar Marum
CEO

Sustainability report

Minerals for a sustainable future

Minerals and metals are vital to modern society, driving technological advancements and supporting the transition to a sustainable future. As demand for critical minerals continues to rise alongside technological innovations and the need for sustainable solutions, we recognize our responsibility to operate in a way that minimizes our environmental footprint while creating positive ripple effects for local communities and stakeholders.

With this growing demand, the shift towards a more sustainable mining industry is important. The industry must actively work to reduce its environmental and social footprint while taking climate action. Nordic Mining's strategy for Environmental, Social and Governance ("ESG") matters is tied to our projects and is built on four key pillars:

- Business ethics and anti-corruption
- Environmental and climate responsibility
- Social responsibility
- A safe and healthy work environment

A key part of our commitment to sustainability is the adoption of the Towards Sustainable Mining (TSM) initiative. TSM is a globally recognized program that helps mining companies manage environmental and social risks. The Norwegian Mineral Industry Association is leading the implementation of this system in the Norwegian mining industry. Under TSM, we will report on eight key protocols related to community engagement, environmental stewardship, and energy efficiency. Our reporting will begin in 2025 once operations are fully established, with the first scores published in 2026. The work with TSM is ongoing and already partially integrated into our processes and we believe it will drive sustainable change in the mining sector.

We are committed to aligning our operations with The United Nations Sustainable Development Goals ("SDGs"), which define universal targets to address global challenges. Nordic Mining's sustainability goals focus on economic, environmental and social performance, guiding all stages of our project, from exploration and development to production and closure.

Sustainability is already a key focus in the company and the ESG team has been working at full capacity throughout 2024 and will use the next years to further develop the systems, processes, data and structures needed to comply with upcoming reporting standards. This period allows us to strengthen our foundation and ensure transparency. By investing in sustainable solutions, we are preparing to meet future reporting requirements and contribute to a responsible mineral industry.

E – ENVIRONMENTAL MATTERS

Climate change

Climate change is one of the greatest challenges of our time, and as a mining and minerals company, we recognize our responsibility to minimize our environmental impact and contribute to a low-carbon future. The Paris Agreement sets ambitious goals to limit global warming to 1.5°C and the European Union aims to be a climate neutral economy by 2050. Reaching a low-carbon future requires a reduction of greenhouse gas (GHG) emissions across industries and a large-scale shift to clean energy sources like solar, wind, hydro, and geothermal power. Mining companies play a crucial role in the transition by supplying the essential minerals needed for green energy technologies.

Nordic Mining's impact

Nordic Mining operates in a landscape where climate change represents both risks and opportunities. Physical risks such as extreme weather events, rising temperatures, and natural disasters can disrupt our operations and damage the infrastructure. Increased floods, droughts, and storms can pose challenges to site stability, water management, and worker safety. In addition to physical risks, there are transition risks related to climate policies, technological innovations, and market expectations which are shaping the industry. Stricter environmental regulations and carbon pricing mechanisms could lead to increased operating costs, while rapid technological innovation may require adaptation to new processing methods.

Climate change can also create opportunities for Nordic Mining and companies in the mining and minerals segment. The growing demand for critical minerals is essential to technological developments and the green transition. Investments in energy efficiency, electrification of operations, and renewable energy sourcing can not only reduce emissions but also lower long-term energy costs. By having a sustainable mining practice, we can strengthen stakeholder relationships, access funding for green initiatives, and stay competitive in a market that values responsible sourcing. By tackling climate challenges, we aim to future-proof our operations while contributing to a more sustainable development.

Reducing GHG emissions is a central aspect of our work connected to climate change. To evaluate the GHG emissions from Nordic Mining's rutile production, Minviro UK carried out an independent Life Cycle Assessment (LCA), covering all stages from extraction to final product. The LCA was conducted in 2022

ENVIRONMENT AND BIODIVERSITY

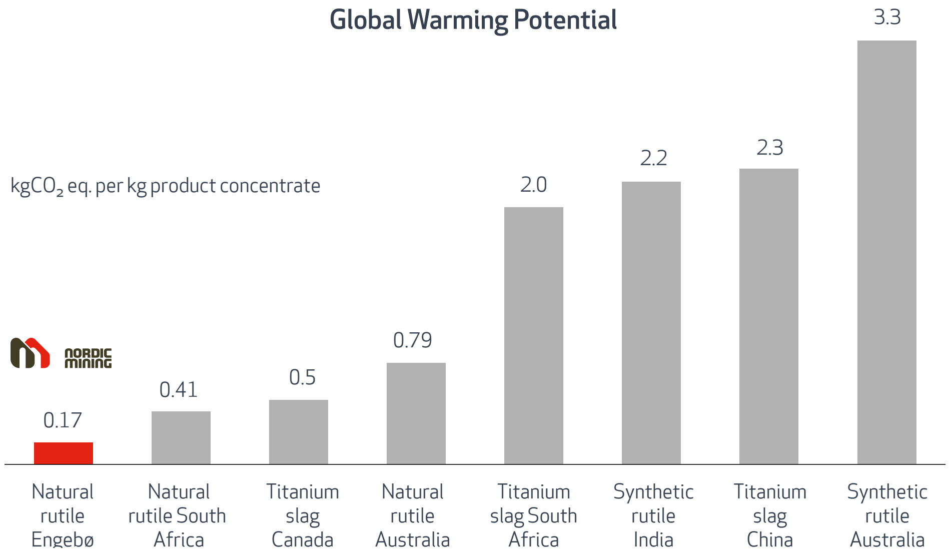
We prioritize the protection of ecosystems and biodiversity supporting SDG 14 (Life Below Water) and SDG 15 (Life on Land) through responsible land and water management.
By reducing our footprint and restoring affected areas, we ensure our operations contribute to the environment.

ENERGY EFFICIENCY AND CLIMATE ACTION

We are committed to reducing emissions and improving energy efficiency, supporting SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Change). Our projects are designed with a focus on energy efficiency and emission reduction, and we will continue finding solutions and modern innovations to improve energy efficiency further.

SOCIAL RESPONSIBILITY

Our people and local communities are the core of our sustainability efforts. We actively contribute to SDG 3 (Good Health and Wellbeing) and SDG 11 (Sustainable Cities and Communities) by fostering safe, inclusive and diverse workplaces while engaging with local communities to promote long-term social improvement.



Minviro (2022) Prospective Life Cycle Assessment Study of Nordic Mining's Natural Rutile Project at Engebø.

and calculated the Global Warming Potential (GWP) and included scope 1, 2 and 3 emissions. The GWP impact of the rutile from our operations was determined to be 0.17 kg of CO_2 equivalents, and the main contributors to our carbon footprint are diesel consumption in mining operations and explosives used for ore extraction. Annual GHG emissions are estimated to be 3085 tonnes of CO_2 equivalents, with an energy consumption of 0.08TWh.

Minviro also performed a benchmarking study as part of the LCA that compared rutile from our operations with alternative titanium-bearing feedstocks, including natural and synthetic rutile, as well as titanium slag. The results from the study showed that rutile from our operations has a significantly lower GWP impact, positioning it as a more sustainable alternative in the market. Results from the GWP benchmarking are summarized in the chart below.

Nordic Mining's ambitions

Nordic Mining's goal is net zero emissions from our operations. We are committed to being transparent about our carbon footprint, by publicly disclosing carbon emissions from our operations and providing benchmarking data for our products when available. By collaborating with suppliers and customers, we aim to reduce emissions throughout the value chain.

In terms of location, Nordic Mining's Engebø project has a great advantage by having the open-pit mine located just a few hundred meters from the process plant and port, meaning a tight infrastructure with minimal transportation. We have investigated options for electrification of the fleet and will, when feasible, transition to a fully electrified mining operation.

Waste management

One of the biggest challenges in the mining industry is finding sustainable ways to manage extractive waste. Mining and mineral extraction generates large volumes of waste, including waste rock and tailings.

Nordic Mining's impact

Our operations produce waste in the form of waste rock and tailings, and to ensure proper waste management we have a Construction Environmental Management Plan (CEMP) in place for the construction phase of the Engebø project and a Waste Management Plan in place for the operational phase. The CEMP identifies potential environmental risks and outlines measures to prevent environmental incidents and enhance performance. The Waste Management Plan follows EU's best available techniques[1] for extractive waste management and ensures that the right measures are in place to minimize environmental impact and protect human health. It also includes strategies for reducing waste and exploring opportunities for re-use of waste materials for both internal and external use. Refer to section *Water, marine resources, biodiversity and ecosystems* for more information on waste management related to marine biodiversity.

In Nordic Mining's CEMP, our goal is that 90% of the non-hazardous waste from the construction site will be sorted (source sorting). In 2024, we managed to source sort 92% of all non-hazardous waste from the construction. Data is based on monthly reports received from the EPCs.

As part of the demands in Nordic Mining's Environmental Discharge Permit issued by the Norwegian Environment Agency (Miljø-direktoratet), we are required to report production volumes, waste volumes, energy consumption and waste control results on an annual basis. In addition, we are required to work on finding alternative ways to minimize the need for disposal, which is also reported annually.

We are committed to complying with the requirements in our operating license given by the Directorate of Mining (DirMin). In recent years, the Ministry of Trade, Industry and Fisheries has introduced additional and more stringent require-ments to our operating license. These require-ments are closely followed and we actively work to ensure compliance and documentation of our adherence to these regulatory requirements.

Nordic Mining's ambitions

Our goal is to reduce waste and to improve resource efficiency by integrating sustainable practices in our operations. We continuously monitor and assess our waste streams, seeking to reduce waste volumes, improve tailings management and to explore circular economy solutions to reuse waste rock.

Water, marine resources, biodiversity and ecosystems

Water, marine resources and biodiversity are essential for the health of ecosystems. As a mining and minerals company, we know that our

1. European Commission Reference Document on Best Available Techniques for Management of Waste from the Extractive Industries, in accordance with Directive 2006/21/EC 2018.

operations can have direct and indirect impacts on these resources. Excess materials from our production consist of waste rock from the mine and tailings from the processing plant. In line with our operating license given by the Directorate of Mining (DirMin), waste rock is deposited on a land-based disposal site, and deep-sea tailings in the fjord.

Nordic Mining's impact

Our activities will affect water resources in multiple ways, from water consumption to discharges that can impact local water bodies and marine environments, leading to disturbances in aquatic habitats and biodiversity. Understanding and managing our environmental impact is a key priority. As a result, we have developed a Water Stewardship Program in collaboration with SRK Consulting, built on a Water Balance Model, a Water Impact Assessment and a Water Management Plan.

To track and assess how our operations affect marine ecosystems, biodiversity, water and surrounding habitats, we have developed an in-depth environmental monitoring program using state of the art technology to track and assess how our operations affect marine ecosystems, biodiversity, water and surrounding habitats. Ongoing monitoring and evaluations, both monthly and quarterly, cover airborne dust, vibrations and noise, as well as risk of emissions into the fjord surface water and fresh-water bodies. Water samples are collected, analyzed and registered monthly and reported annually to the Norwegian Environment Agency (Miljødirektoratet) through their portal "Vannmiljø".

In line with our environmental monitoring program, extensive baseline monitoring of the fjord has been finalized during 2024 ensuring updates of the baseline prior to production start-up. The monitoring covers soft and hardbottom habitats, beach zone, water quality and sedimentation rates. This data is collected through regular measurement rounds, ensuring a complete baseline, and reporting is done in collaboration with DNV. The data provides valuable information for understanding the natural state prior to production start-up and enables us to take proactive steps to monitor and reduce our impact and safeguard the surrounding environment. Refer to the table above to see a selection of some of the actions that have been performed as part of the baseline monitoring.

Description of action	Purpose of action	Number of measurements/ units tested
Mapping the distribution of fish eggs and zooplankton.	To increase our knowledge about important spawning areas for cod and other fish species, as well as the species composition of fish and zooplankton in the Førdefjord.	50 measurements from fish and larvae resulted in 1148 eggs from different fish species registered and analyzed.
Visual surveys with Remotely Operated Vehicle (ROV) drones.	To uncover any occurrences of red-listed or vulnerable benthic habitats in deep water in the fjord.	A total of 6.6 km of transects were registered and examined.
Mapping of shallow water and kelp forest communities in the vicinity of the fjord deposit.	To document the condition of the shallow water communities (macroalgae) around the fjord deposit.	7 kelp forest occurrences mapped, and 2 locations mapped for shallow water communities and eutrophication status.
Analysis of the water quality in the area surrounding Engebø.	To understand and document the current water quality of the Førdefjord prior to production start-up and to get a baseline for the effect the deposit of tailings may have on the environment.	35,000 measurements conducted from August 2023 to August 2024.
Mapping of sedimentation of particles on the seabed.	To quantify the sedimentation rate and analyse the material that sediments.	3 different locations measured through 2024.

We have an ambitious goal for the Engebø Project, with a goal of biodiversity net gain for life of mine. We are currently monitoring and tracking biodiversity actions, and there is also a Biodiversity Action Plan in place. The plan is developed in collaboration with DNV and Asplan Viak to support our work to reduce, restore and compensate biodiversity loss for the project's footprint and to ensure that we reach our biodiversity targets.

Our biodiversity plan includes a system for tracking "nature points", which measures biodiversity, both terrestrial and marine.

Calculation of terrestrial biodiversity net loss and gain is based on a methodology which accounts for biodiversity loss due to negative impact of the Engebø project, and biodiversity gain due to restoration measures and offsets. In the first years of the project, we will have a negative nature point score due to terrain interventions and waste rock deposits that impact the natural environment. However, through restoration efforts and by implementing other mitigating measures, we aim to gradually improve the score and eventually achieve a positive balance. It is also possible to achieve a positive score from the outset, as the terrain interventions are being carried out in areas of low natural value, such as regions dominated by spruce and pine. When we restore these areas, we plan to establish deciduous forests with tree species that promote high biodiversity, significantly improving the natural value of the land.

Every year, we will review the budget for nature points and will implement specific actions each year to increase our score. In 2024 we replanted trees, prepared a habitat for frogs which involved relocating all frog eggs from the sedimentation basin area before starting the groundwork and established meadows. In 2025 we plan to establish a pond for amphibians, continue to form meadows and start planning on restoring peatbogs.

Currently, there is no specific methodology for calculating the net loss or net gain of marine biodiversity. The marine environment is dynamic, which means that biodiversity loss does not always occur within a given area. To calculate marine biodiversity, we use a methodology based on terrestrial biodiversity, with some modifications. We have set goals regarding biodiversity in the fjord, where the main goal is to minimize biodiversity impact during operations. We have also set a goal to restore biodiversity.

In 2024, thorough baseline monitoring of several indicators of the biodiversity and the general state of the fjord has been conducted. This gives us valuable information about the current state of the fjord and which mitigations we can take to minimize our impact.

Nordic Mining's ambitions

We have a long-term planning perspective for the mining project at Engebø. In 2022, a conceptual closure and reclamation plan was completed which outline a management system to ensure that we can successfully rehabilitate the mine site at closure. In line with our biodiversity goal, we aim for a high degree of restoration to return the area to nature and enable meaningful use for the local populations post-closure.

S – SOCIAL MATTERS

Own workforce

Our employees are our most valuable resource, and we prioritize their health, safety, and well-being. We have a proactive approach by ensuring that these values are integrated in all stages of our operations. By fostering a strong culture of health, safety, and mutual respect, we ensure that every individual can succeed and contribute to Nordic Mining's goals.

Nordic Mining's impact

Our operations are dependent on a foundation of safety. We continuously assess and manage potential risks to prevent injuries and health issues. During our construction phase, we reported zero Lost Time Injuries (LTI). We are committed to creating a safety-driven culture. Mental health and inclusivity are key priorities, and we promote a respectful environment for all employees, regardless of ancestry, race, gender, religious beliefs, or sexual orientation, with zero tolerance for harassment or discrimination.

Nordic Mining's ambitions

Going forward with the start of our production, we aim to strengthen our commitment to safety and inclusivity by further enhancing our health and safety protocols and fostering an environment where diversity and respect are core values. Our goal is to ensure that every employee feels valued, respected, and empowered to reach their full potential in a safe and inclusive workplace.

Workers in the value chain

Nordic Mining recognizes that our responsibility extends beyond our own workforce to the workers within our broader value chain. We believe that maintaining high ethical standards is essential for creating value for all parties involved.

Nordic Mining's impact

We are committed to ensuring that all workers in our value chain are treated with respect and fairness. This includes promoting ethical conduct on all levels, from our employees to third-party contractors and suppliers. We ensure compliance with applicable laws and regulations, promote transparency, and enforce zero tolerance for bribery, corruption, or unethical business practices.

In July 2022, the Norwegian Transparency Act came into effect, requiring companies to carry out human rights due diligence across their operations, supply chains, and business relationships. As part of our commitment to transparency, we provide detailed reporting on our compliance with the Norwegian Transparency Act. Nordic Mining's reporting on the Norwegian Transparency Act will be made available on the company's website by 30 June 2025.

Nordic Mining's ambitions

Looking ahead, we will continue to strengthen our commitment to ethical conduct and responsible business practices by encouraging greater accountability and transparency throughout the supply chain.

Affected communities

Our social responsibility is closely tied to the communities where we operate. Mineral production can bring new opportunities for local development and economic growth. Our goal is to contribute to the well-being of local communities and residents by providing job opportunities and supporting local services. We are committed to actively engaging with communities and stakeholders to build strong, sustainable relationships throughout the life of the mine.

Nordic Mining's impact

Our operations aim to bring about meaningful contributions to the affected communities, both in terms of economic development and social welfare. We have worked to establish transparent and respectful relationships with local communities and stakeholders, ensuring they are well informed and that their concerns are heard and addressed. This is done through bi-annual meetings with a Resource Group, and quarterly neighborhood meetings in both Vevring and Kvammen to create an arena for communication and the possibility to raise potential concerns. We continue to assess and mitigate any potential impacts on the health and well-being of those living in the areas we affect.

Nordic Mining's ambitions

We are committed to enhancing our community engagement efforts. We aim to strengthen our relationship with local communities further and will respect the cultural, political and social diversity of the area in which we operate.

G – GOVERNANCE MATTERS

Business conduct

Our commitment to high ethical standards and transparency is central to how we operate. We prioritize integrity, fairness, and respect in all our interactions with employees, partners, customers, and the wider community.

Nordic Mining's impact

We maintain strong corporate governance, ensuring compliance with laws, regulations, and international industry practices. Our operations uphold human rights, labor rights, anti-corruption measures, and environmental responsibility. We have not identified any issues deviating from these standards, reflecting our commitment to responsible business practices. As previously mentioned, we provide reporting on our compliance with the Norwegian Transparency Act which is available to the public on our website.

As part of our commitment to strong governance and regulatory compliance, we have recently conducted a review and update of all company policies as the Group's new CEO assumed his position 1 March 2025. This process has ensured that our policies remain current and approved by the correct authorities within the Group. The policies have been formally reviewed, approved and signed by new CEO, Finn Ivar Marum, in March and April 2025.

Nordic Mining's ambitions

We aim to further integrate sustainability and ethical practices into our culture, strengthening compliance and transparency. Our goal is to lead in responsible business conduct within the mining sector and continue upholding values of integrity and respect for people and the environment.

OPERATIONS

ENGEBØ – rutile and garnet

The Company announced on 23 December 2024 that the first mineral concentrates were produced at the Engebø Rutile and Garnet Project as commissioning advances and production ramp-up commences. The operations at Engebø will focus on maintaining the quality of the mineral concentrates as the production is ramping up to designed operating rates over the next quarters and reach stable operations during 2025.

The Engebø deposit has among the highest grades of rutile (TiO_2) compared to existing producers and other projects under development. The deposit also contains significant quantities of high-quality almandine garnet. Based on the current resource and reserve estimates, the mine-life is 39 years, comprising 15 years of open pit mining followed by 24 years of underground mining and stockpile reclamation. Favorable location, topography and local, green hydropower enables efficient and climate friendly production of high-quality natural rutile and garnet. Offtake agreements have been secured for up to the full production of rutile and garnet for the first five years of production.

The Company successfully completed the staged release of funds from the USD 100 million senior secured bond escrow account for the Engebø Project. The first release of USD 30 million occurred in March, followed by a second USD 30 million release in May, and the final USD 48 million release in August. Each release was contingent upon an independent engineer confirming that the cost-to-complete test was satisfied. These third-party assessments affirmed that the project remains on schedule and within budget, ensuring sufficient funding for its completion.

The construction of the Engebø Project has been completed through four lump-sum EPC ("Engineering, Procurement and Construction") contracts with Sunnfjord Industripartner AS, Åsen & Øvrelid AS, Nordic Bulk AS and Normatic AS, and all parts of the mine and processing plant have been installed and commissioned at site.

The main construction activities at Engebø were completed during the fourth quarter. Only a minor balance of plant items remains to complete the scope of work for the EPC and subcontractors. These activities have no impact on the production ramp-up as final testing of machinery is ongoing with EPCs and mechanical process equipment suppliers.

The construction project reported 995 working days by the four EPCs, including subcontractors, with zero LTIs. Total hours worked at site for the project, by the EPCs, exceeded 400 000 hours by end of 2024.

Despite challenges in worldwide logistics with congested ports around the world, the project was able to mitigate all significant fabrication and logistics risks related to mechanical process equipment packages without impacting the planned construction schedule.

The administration and workshop buildings were completed in the first quarter and the operations team started using the facilities for operation readiness in May. The operations team started a significant onboarding process growing to around 75 employees by the end of the third quarter, which is sufficient for full commissioning of ore and early stage of production ramp-up. In steady state operations, the total expected number of employees is 110–120, including the mining services provider.

Significant milestones achieved in relation to commissioning of the process plant:

- First ore to primary crushing, including ore pass design verification in September
- First ore to the milling and mineral separation circuits achieved in November
- First mineral concentrate was produced at Engebø on 23 December

In the second quarter, the company entered into a 5-year mining alliance agreement with Sunnfjord Industripartner AS to provide mining services for the open-pit operations. The contract commenced in September with machinery and resources ramping up activities in parallel with preparing for production ramp-up. The construction phase has facilitated the ore required for the first 3 months of production ramp-up and the initial focus for mining activities is to provide access to high grade ore for continued production and prepare all required infrastructure for efficient mining operations.

Long-term offtake agreements secured for all production from Engebø

In 2023, Nordic Mining, through its wholly owned subsidiary Engebø Rutile and Garnet AS (ERG), entered into a global exclusive offtake agreement for the full planned garnet production from Engebø for the first five years of production. The offtake agreement is for the supply and delivery of a minimum total of 762,500 metric tonnes of garnet concentrate in the five-year contract period, with a target of 825,000 metric tonnes, which is the full planned garnet production in the first five years of production. Further to the initial garnet offtake, the parties shall discuss extension of the cooperation, comprising for example joint marketing, sales, and distribution of garnet from the Engebø Rutile and Garnet Project. The consideration under the garnet offtake agreement will be based on a pre-agreed price schedule.

In 2022, Nordic Mining, through its wholly owned subsidiary ERG, entered into two rutile offtake agreements.


READING
CAUTION

In June 2022, it entered into a five-year rutile offtake agreement with Iwatani, a reputable Japanese trading house. As part of the agreement, Iwatani made an equity investment of NOK 191.7 million in Nordic Mining for the Engebø Project at the time of signing. The offtake agreement is for the sale of 20,000 tonnes per annum of natural rutile from the Engebø Project over five years based on the market price, with commercial terms, for 95% natural rutile concentrate and adjusted for actual TiO_2 content.

In October 2022, ERG signed the final rutile offtake agreement. The consideration under the rutile offtake agreement will be based on the market price for 95% natural rutile concentrate, adjusted for actual TiO_2 content, as determined from TZMI index or annual price discussions between the parties.

These three offtake agreements are expected to cover substantially all the planned production for the first five years of both rutile and garnet.

Long-term fundamentals for rutile and garnet supply continue to be strong

The titanium market experienced a dynamic 2024, marked by periods of growth and challenges across different sectors. The year began with a recovery in the titanium dioxide (TiO_2) pigment market as demand increased and inventories were replenished, allowing producers to operate at higher utilization rates. Titanium feedstock suppliers also saw improved conditions, with sales volumes surpassing production levels. The titanium metal sector remained robust throughout the year, driven by a strong backlog in the aviation industry and increasing military expenditures.

Despite a promising first half, the pigment market softened in the latter part of the year due to seasonal slowdowns, a weak housing market, and broader economic uncertainties. However, the introduction of anti-dumping duties by the European Commission on Chinese TiO_2 imports between 35 to 40 percent created a more favorable environment for western producers. This regulatory shift, combined with expected economic stimulus measures and lower interest rates, is likely to support long-term demand.

The titanium metal sector remained a key area of strength, with global aircraft demand driving steady consumption of titanium sponge. Producers reported full capacity production levels, while the semiconductor industry showed signs of recovery, further supporting demand.

Although rutile prices weakened since late 2023 due to the pigment sector's struggles, they stabilized by year-end and are expected to strengthen in 2025 as market conditions improve.

Several major rutile deposits are expected to be depleted in the coming years, while an increase in titanium sponge and metal produced by western producers is expected. Nordic Mining is well positioned to supply rutile, a critical mineral, to this segment.

The industrial abrasives market faced challenges, particularly in North America and Europe, where high interest rates and slowing industrial activity weighed on demand. Supply chain disruptions from South Africa and elevated freight costs from Australasia added pressure.

However, early signs of recovery emerged towards the end of the year, suggesting a more positive outlook for 2025.

There is currently no production of garnet in Europe and the global supply of high-quality garnet for high-end applications has over the last years been short of the demand. The existing main producers are in Australia, China, India, and South-Africa. Regulatory measures introduced by the Indian government in 2016 continue to affect a substantial part of the Indian garnet production. It is uncertain when and to what extent Indian production will re-enter the market. In the USA, domestic production is significantly short of the demand.

Nordic Mining successfully maintained its strategic position throughout the year with long-term offtake agreements for rutile and garnet, ensuring stable sales volumes and predictable revenue streams from 2025. The company's agreements, covering up to full production for the first five years, provide resilience against short-term market fluctuations and position it well for future growth. With improving macroeconomic conditions, regulatory support, and strong demand in key sectors, the outlook for 2025 remains positive, offering promising opportunities for value creation for investors.

The global market for minerals is influenced by a range of economic, geopolitical, and regulatory factors, and in 2025 the market faces significant uncertainty, particularly regarding future trade policies and tariffs. The Group is paying close attention to the development and is keeping a close dialogue with our suppliers and customers.

OPERATIONS

STRATEGIC ASSETS AND INITIATIVES

In addition to Nordic Mining's production of rutile and garnet from Engebø, the Group continues its engagement in other strategic initiatives within high-end industrial minerals and metals. This includes exclusive exploration rights to a quartz deposit in Norway and patented rights for a new technology for production of alumina which are jointly owned with the Institute for Energy Technology.

HIGH PURITY QUARTZ – Positioning for future growth in IT and sustainable energy

The Kvinnherad Quartz deposit is a hydrothermal quartz vein in Western Norway, located close to infrastructure approximately 700 meters from the county road and the ocean. Nordic Mining has actively been engaged with local stakeholders over many years to establish good communication and long-term relations.

During the second quarter of 2024, Nordic Mining's MoU partner at the Kvinnherad Quartz deposit decided to finalize its cooperation with regards to the development of the project, and Nordic Mining decided to continue its engagement as sole owner of the exploration rights through its wholly owned subsidiary Nordic Quartz. No consideration was paid in relation to the takeover of the MoU partners exploration rights, and Nordic Quartz will use its rights in the MoU to enter into the landowner agreement as the sole party.

The total Mineral Resource Estimate currently stands at 4.3 Mt, with 2.9 Mt of Indicated resources @65% hydrothermal quartz, and 1.3 Mt of Inferred resources @66% hydrothermal quartz. Geochemical analysis and processing test work has shown that quartz from this deposit can be used to produce a High Purity Quartz (HPQ) product, which makes it unique since there are few deposits globally suited for that purpose. HPQ is vital in the production of photovoltaic components, semiconductors, specialized glassware, and fiber optics.

Processing activities have been the focus in 2024. This includes analysis of quality variations in the deposit, flow sheet verification, and bulk sample processing. A field work campaign was successfully completed in November, extracting 10 tonnes of ore for processing test work at large scale. The processing test work continues into 2025, and the primary objective is to produce product samples for industrial testing. We see this as a crucial next step to validate the quality of the product, which will mitigate risks moving forward. Based on positive conclusions from this activity, we may start the work with a drilling campaign during the 2nd half of 2025, followed by a prefeasibility study (PFS).

Other activities this year involve desktop studies on social and environmental impact, implementation of the area into the municipality master plan, and basic evaluations of mining methods. Some of these activities will also proceed in 2025.

TITANIUM – Advanced materials

Nordic Mining's subsidiary ERG will produce high grade natural rutile with substantially lower carbon footprint compared with peering producers of titanium feedstock. In addition, the rutile from Engebø has low levels of radioactive elements like Uranium and Thorium, making it ideal for production of high-quality titanium metal.

Following the CRMA initiative from the EU, titanium metal has been listed as a critical and strategic material in the EU. Nordic Mining has completed a preliminary conceptual study of future production of titanium sponge from the Engebø rutile deposit. A possible future engagement to establish new production of titanium sponge will likely be organized as a separate unit in the Group.

Kvinnherad quartz deposit.

ALUMINA – Sustainable Technology Development

Nordic Mining has since 2009 been engaged in development of a new technology for alumina production as a sustainable alternative to the current production. The technology has successfully been developed together with the Institute for Energy Technology («IFE») and has been patented in several countries including Norway, USA, Canada and with the European Patent Office. In June 2019, the Company was granted a EUR 5.9 million project from EU's Horizon 2020, the AlSiCal project, together with 15 partners in 9 countries. The AlSiCal was finalized in Q2 2024, proving the technical viability of the technology[2]. The group will evaluate possible opportunities that may be of interest for utilizing the AlSiCal technology.

SEABED MINERALS – Research and Knowledge Building

Nordic Mining has taken pioneering initiatives related to seabed mineral exploration and knowledge building in Norway. Nordic Mining participated in the MarMine project on marine mineral resources which was concluded in 2020. The project was coordinated by the Norwegian University of Science and Technology. The Norwegian Research Council granted NOK 25 million to the project which had a strong industrial basis and participation. After a strategic review, the Company has decided to pause its engagement in seabed mineral exploration, focusing on strategic growth initiatives onshore.

2. https://www.alsical.eu/

BOARD OF DIRECTORS' REPORT

Minerals for a sustainable future

Nordic Mining (the "Company") is a Norwegian mining and minerals company incorporated in Oslo, Norway. The Company's assets comprise the following subsidiaries (jointly, the "Group"):

- Engebø Rutile and Garnet AS (100%): Production of rutile and garnet
- Nordic Quartz AS (100%): High-purity quartz
- Nordic Titanium AS (100%): Titanium sponge

INTRODUCTION AND OVERVIEW

Nordic Mining is a resource company with focus on high-end industrial minerals and metals.

The Group is currently ramping up production from one of the world's largest resources of natural rutile in the dual mineral Engebø deposit ("Engebø" or "Engebø Project") on the west coast of Norway, where it has mining rights and permits to a substantial eclogite deposit with rutile and garnet. The Company is committed to delivering critical minerals to Europe and international markets, producing the world's most climate friendly titanium feedstock.

In addition, the Group holds a landowner agreement for exploration and development of a high purity quartz deposit in the Kvinnherad Municipality in Norway and is currently conducting a test work program where bulk samples from the deposit will be used for pilot scale processing of high purity quartz product through a full cycle process.

Nordic Mining's project portfolio is of high international standards and holds significant economic potential. The assets, and in particular the wholly owned Engebø Project, provide a solid value basis for Nordic Mining's shareholders. For more information about the Group's Projects, see pages 11 - 16 of this annual report.

GROUP PROJECTS

Engebø Rutile and Garnet

The Engebø deposit has among the highest grades of rutile (TiO_2) compared to existing producers and other projects under development. The deposit also contains significant quantities of high-quality garnet. The Engebø expected life of mine is 39 years, consisting of 15 years of open pit mining followed by 24 years of underground mining. Favorable location, topography and local hydropower enables efficient and climate friendly production of high-quality natural rutile and garnet.

Engebø Rutile and Garnet AS (ERG) has entered into offtake agreements that cover substantially all the planned production for the first five years. In 2022 ERG entered into offtake agreements for rutile, and in January 2023 ERG entered into an exclusive offtake agreement for up to the full planned garnet production from Engebø for the first 5 years of production. Further to the initial garnet offtake, the parties shall discuss extension of the cooperation, comprising for example joint marketing, sales, and distribution of garnet from the Engebø Project. The consideration under the garnet offtake agreement will be based on a pre-agreed price schedule.

In March 2023, Nordic Mining secured the final part of the project financing package for the Engebø Project, comprising equity, senior secured bond, and non-dilutive royalty financing. In March 2025, Engebø increased the existing bonds with USD 33 million. Reference is made to note 26 in the consolidated financial statements for information regarding the bond increase.

The main construction activities at Engebø were completed during the fourth quarter 2024, and only a minor balance of plant items remains to complete the scope of work from the EPC's and sub-contractors by year end 2024. On 23 December 2024, the Company achieved production of first mineral concentrate, which marks an important milestone for the company and transition to the ramp-up phase that started in January 2025. The ramp-up phase will be carried out in 2025, and the Company is targeting design operating rates and stable operations in 2025.

FINANCIAL PERFORMANCE

For comparison, numbers in brackets relate to the comparable period in 2023.

The Engebø Project is currently in production ramp-up and the Group has, so far, no sales revenues from operations. Reported operating loss for 2024 was NOK -54.6 million (NOK –46.5 million), with around NOK –34.7 million (NOK 27.2) resulting from non-capitalizable operating costs related to the development and construction of the Engebø Project.

Net financial items were NOK -60.4 million for 2024 (NOK 0.4 million), with the main financial items being net loss on foreign exchange related to the bond loan, Bond Escrow and royalty liability of NOK -132.5 million, loss on foreign exchange derivates of NOK -5.9 million, other foreign exchange gain of NOK 11.2 million, interest on Bond Escrow and bank deposits of NOK 21.9 million, change in estimate of royalty liability of NOK 47.9 million and, costs from financing of NOK –225.2 million. Please see note 6 for further information. Borrowing costs on bond loan, net of interest on Bond Escrow, following satisfaction of financing conditions in

March 2023, and borrowing costs on the royalty liability have been capitalized under Mine under construction, in total NOK 21.5 million for 2024.

Reported net loss was NOK –115.0 million for 2024, compared to a net loss of NOK -46.1 million for 2023.

In 2024, the Group capitalized NOK 1,346.0 million on the balance sheet under Mine under construction for direct costs related to the construction work at Engebø, up from NOK 1,088.7 million in 2023. Nordic Mining's consolidated carrying amount for Mine under construction was NOK 2.75 billion as of 31 December 2024 (31 December 2023: NOK 1.4 billion).

Net cash outflow from operating activities for 2024 was NOK –48.1 million as compared to NOK –41.0 million in 2023. Net cash flow from the Group's investment activities related to Investment in Mine under construction for 2024 year was NOK -1,072.8 million (NOK –885.1 million), and NOK -87.8 million (NOK -2.6 million) related to Acquisition of property, plant and equipment. The cash flow amount does not include capitalized net borrowing costs or outstanding payables, both of which are booked on the balance sheet under Mine under construction and Property, plant and equipment. Interest on the bond loan for 2024 of USD 12.0 million (corresponding to NOK 136.3 million) is included in interest and financing fees paid. Please see note 12 for further information related to the bond Escrow account. For 2024, the Group released USD 108 million (corresponding to NOK 1,152.4 million) from the bond Escrow account, resulting in net cash flow from financing activities of in total NOK 1,014.3 million (NOK 1,404.4 million).

The Group's cash and cash equivalents as of 31 December 2024 were NOK 454.8 million (31 December 2023: NOK 635.0 million). In addition, the Group had NOK 12.6 million on restricted account pledged toward Directorate of Mining ("DirMin") for clean-up measures in accordance with the operating license. Please see note 13 for further information.

Nordic Mining's total assets as of 31 December 2024 were NOK 3.3 billion (31 December 2023: NOK 3.1 billion), and total equity was NOK 1.4 billion (31 December 2023: NOK 1.5 billion).

Based on current forecasts and plans, the Board considers that the Group's financing and working capital are satisfactory to secure payment of financial obligations for at least 12 months from the time of this report. The Board confirms that the financial statements have been prepared based on a going concern assumption and in accordance with section 3-3a of the Accounting Act. The financial statements for Nordic Mining are prepared in accordance with the IFRS® Accounting Standards as endorsed by the EU.

RISK MANAGEMENT

The Group is exposed to a number of risks that may affect its business, including political and regulatory, market, operational, and financial risks. In the opinion of the Board, the Company has implemented management systems that are satisfactory to address risk management and internal controls for the current stage of the Group.


nordic mining
KASK
3M

Political and regulatory risk
As a resource company in the mining industry, Nordic Mining depends on permits and licenses from relevant authorities.

In May 2022, the Ministry of Trade, Industry and Fisheries («MTIF») resolved that Nordic Mining's operating license is maintained as granted with full rights to the Engebø deposit, confirming the resolution from the Directorate of Mining. The decision from MTIF is final and cannot be appealed. The operating license is granted for the life of mine of the project which includes an open pit and underground phase, however, with a possibility for revision after 10 years. The license regulates operational scope, methodology and procedures to secure safe and efficient production of the mineral resources and follows the strict regulation practice for Norwegian mining operations which implies high standards for environment, health, and safety. In January 2021, the Agency granted the revised environmental permit, commenting that the significant reduction in chemical consumption will have lower impact on the environment than the previous planned consumption. The decision was confirmed by the Ministry of Climate and Environment in November 2021 concluding that the complaints received in relation to the revised discharge permit do not provide any basis to revoke or change the permit. The decision from the Ministry of Climate and Environment is final and cannot be appealed. This completed the main regulatory framework required for the project, including extraction permits, approved zoning plan for the mining and processing areas, and the environmental permit. The zoning plan for the mining and processing areas, including detailed regulations, and the environmental permit for the project are finally granted with no possibilities for appeal. Per December 31, 2024, there is an ongoing case between two Norwegian environmental organizations and the Norwegian state concerning the Norwegian state's waste permit to ERG. EFTA made an advisory opinion in March 2025 and the case is to be heard by the Borgarting Court of Appeal (Borgarting lagmannsrett) in June 2025. Reference is made to note 26 in the consolidated financial statements for more information.

In general, whether and when permits will be granted, amended or revoked, and the terms and conditions stipulated related to regulatory matters, are not fully within the Group's control.

The uncertainty created by unpredictable government policies, such as trade tariffs, sanctions, and regulatory changes, can disrupt supply chains and market prices. Mitigating these risks are done by staying informed about the political development, keeping a close dialogue with our suppliers and customers, and engaging in any risk mitigating strategies.

Financial risk
Financial risk includes liquidity risk, currency risk and interest rate risk. The Group's liquidity management is coordinated by the Group's Chief Financial Officer with the assistance of Sumit Up AS, which has been engaged to provide accounting services. The Board has established rules governing the authorizations of the CEO, and the CEO has established rules governing the authorizations of the CFO.

Nordic Mining's cash balances are deposited in bank accounts in Norwegian Kroner (NOK), United States Dollars (USD), Euro (EUR) and Australian Dollars (AUD). The Group's main foreign currency exposure relates to its bond loan and royalty liability which are denominated in USD. The Group's future revenue is expected to be denominated primarily in USD, with a significant percentage of income taxes, operating expenses, capital expenditures and future dividends in NOK. Therefore, the Group has a large part of the financial indebtedness in USD to reduce the overall economic currency risk related to the Engebø Project. The group had no outstanding foreign exchange hedges or instruments at year-end 2024.

The Group has significant debt through its USD 100 million bond and its USD 50 million royalty instrument, but neither is impacted by interest rate fluctuations. The bond has a fixed interest rate of 12.5% and the royalty instrument payments are not tied to interest rates. The Group had no outstanding interest rate hedges at year-end 2024.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to pay its financial obligations as they fall due. The Group has so far used a mix of equity financing, bond loan and royalty financing to meet liquidity requirements related to financial obligations, to cover operational losses, and for investments.

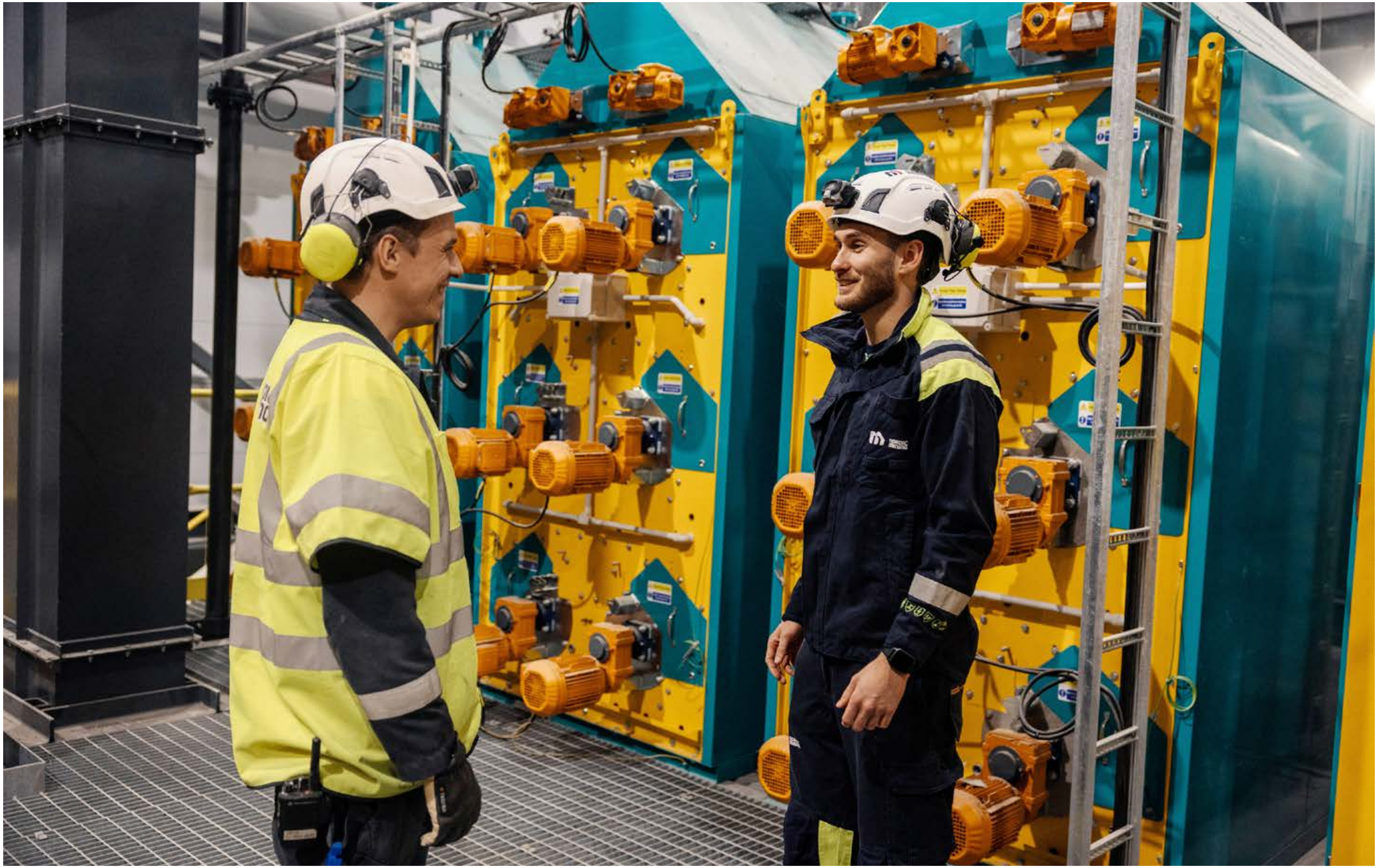
The Group had as of 31 December 2024 NOK 1,043.6 million in interest-bearing debt, comprising a USD 100 million senior secured bond measured at amortized cost using the effective interest method.

Nordic Mining's financing package for the Engebø Project consist of equity, senior secured bond, and non-dilutive royalty financing. The bond agreement has a financial covenant stipulating that ERG shall at all times maintain cash on its accounts of no less than USD 15 million and a minimum equity ratio of no less than 25 % at Group level at each quarter end. A breach of the covenant could result in a default under the agreement.

In March 2025, the Company completed an increase of USD 33 million on existing bonds. In connection with the publication of the fourth quarter results, the Company reported that the expected minimum liquidity of USD 25 million was set to be lower than previously reported. Following this, the Company received an inquiry from bond investors with an offer to increase the existing bond, whereupon the Company used the opportunity to strengthen the liquidity of ERG with USD 33 million so they can continue their production ramp-up in an optimal way and at the same time obtain a liquidity buffer in case of any unforeseen events.

Market risk
Mineral prices can be affected by factors such as changes in supply and demand, global economic developments, competition etc. which are beyond the Group's control. Further, there is a risk that not all the Group's products can be sold at favorable terms and conditions. Mitigating these market risks is done by measures which include e.g. business strategies and selling in different geographies and industries, pricing structures, and fixed volumes in long-term offtake agreements.

Operational risk
Mineral extraction is a high-risk activity. Generally, few investigated areas develop into producing mining operations. Long-term returns



in Nordic Mining will depend on the success of the Group's exploration, development, and operating activities.

Nordic Mining is exposed to normal business risk associated with contracts with various suppliers.

CORPORATE GOVERNANCE

The Group's principles for corporate governance, ethical guidelines, and a general management structure are based on the principles of "The Norwegian Code of Practice for Corporate Governance". Reference is made to page 25 for the Board's report on corporate governance.

Nordic Mining's corporate governance policy is founded on prevailing statutory and regulatory requirements and corporate governance is implemented through processes and control measures established to protect the interests of the Company's shareholders and other stakeholders.

Nordic Mining has established policies to insure both people and property for certain risks as well as established a liability insurance for Directors. Nordic Mining has developed guidelines concerning corporate, social, and ethical conduct which are available at the corporate website.

The Company has assessed its relations with, and payments to and from, governmental institutions in accordance with section 3-3d of the Accounting Act. For more information, see Note 24 in the consolidated financial statements.

ORGANIZATIONAL MATTERS

At the end of 2024 Nordic Mining had 80 employees (24), of which 76 (21) are employed in the subsidiary ERG, and four (three) are employed in the Company. The employee base of the Group consisted of 19 women and 61 men. In ERG the management team consisted of five women and four men.

The Board of Nordic Mining consists of three men and two women. Kjell Roland has been Chair of the Board since 2019 and a board member since 2012. The composition of the Board will be evaluated in connection with the annual general meeting in line with customary procedures.

The Company facilitates equal opportunities for professional and personal development regardless of gender. The Company has a reasonable gender balance and strives to maintain a good working environment. The Management team at the end of 2024 comprised four (four) men and no (no) women. Sick leave in 2024 was less than 2.6%, and no safety issues were recorded.

SHAREHOLDERS AND CAPITAL SITUATION

Nordic Mining has one class of shares, each with a nominal value of NOK 12 as at year-end 2024. In November 2024, the Company's shares were listed on Euronext Oslo Børs, after having been listed on Euronext Expand Oslo since 2007. The shares may be traded without restrictions. The Company had 16,000 registered shareholders at year-end with around 40% of the shares held by shareholders domiciled outside of Norway.

In March 2024, Nordic Mining completed a reverse split with a ratio of 20:1. Following registration of the new share capital and reverse split the Company's share capital is NOK 1,300,938,396 divided by 108,411,533 shares, each with a par value of NOK 12.

PARENT COMPANY FINANCIAL RESULTS

The net profit for the parent company Nordic Mining ASA for 2024 was NOK 6.9 million (NOK 50.8 million). As of 31 December 2024, the total equity for the parent company amounted to NOK 2.05 billion (NOK 2.0 billion).

The Board proposes that the year's profit of NOK 6,909,643.58 in Nordic Mining ASA shall be transferred to retained earnings.

OUTLOOK

For Nordic Mining, the top priority for 2025 is reaching steady production at design capacity for both rutile and garnet at Engebø. Entering steady production will open new opportunities and means that we have a solid platform on which to further develop the company. Developing a new strategy to guide our next phase will be a key task for the board in 2025. We will evaluate possible avenues including developing new mineral deposits, of which the quartz project is an example, or going further into our value chain with the processing of titanium sponge project as an example. Engebø Rutile and Garnet is the first new mineral deposit to be developed in Norway in almost 40 years and capitalizing on that position and competence presents a unique opportunity.

Oslo, 24 April 2025
The Board of Directors of Nordic Mining ASA

Kjell Roland	Kjell Sletsjøe	Eva Kaijser	Benedicte Nordang	Tom Lileng	Finn Ivar Marum
Chair	*Deputy chair*	*Board member*	*Board member*	*Board member*	*CEO*

THE BOARD OF DIRECTORS

Kjell Roland
Chair

Kjell Roland holds a Master of Science degree from the department of Economics at the University of Oslo, a lower degree in Philosophy from the University of Tromsø and has been a visiting scholar at the Department of Economics and Department Operations Research at Stanford University. Roland was CEO of Norfund (the Norwegian government's investment fund for developing countries) from 2006–2018. Roland co-founded ECON in 1986 and was partner and CEO in ECON Management AS and ECON Analysis for more than two decades. As a consultant, he has worked on macroeconomics, energy and environmental issues for private companies, governments, and international organizations such as the World Bank and the Asian Development Bank. Roland is a Norwegian citizen and resides in Oslo, Norway.

Kjell Sletsjøe
Deputy Chair

Kjell Sletsjøe holds a Master of Science in Civil Engineering from the University of Science and Technology in Trondheim, Norway and an MBA from Columbia University in New York, USA. Sletsjøe has comprehensive international management experience from mining, coatings, and construction industries as well as from consulting. He has been CEO of Rana Gruber AS (iron ore), Lundhs AS (natural stone) and held various top management positions in Jotun Group (coatings) in Norway, UK and Malaysia. Sletsjøe has also worked as a business consultant in McKinsey & Co and Hartmark Consulting and served on several boards in Europe and Asia. He now serves as board member of several companies. Sletsjøe is a Norwegian citizen and resides in Sandefjord, Norway.

Eva Kaijser
Board Member

Eva Kaijser holds a Bachelor of Science in Business Administration and Economics with advanced studies in Finance from the University of Stockholm, Sweden. Kaijser has 25 years of experience from the mining industry, whereof 11 years in the Boliden group in various positions including top management. Kaijser has been CFO in Northland Resources, CEO in Nordic Mines and CFO in Nynas. Eva Kaijser runs an investment and consulting business, alongside with being a board member in listed and private companies. Kaijser is a Swedish citizen and resides in Stockholm, Sweden.

Benedicte Nordang
Board Member

Benedicte Nordang is a Naval Architect with a Master of Science from the Norwegian Institute of Technology. She has more than 30 years' experience from the offshore industry, including various management positions from Equinor ASA and Aker Marine Contractors. Nordang has held board positions in the mining industry for more than 10 years, including Nussir ASA and Wega Mining ASA. She currently works as Chief Engineer Project Management & Control at Equinor ASA. Nordang is a Norwegian citizen and resides in Oslo, Norway.

Tom Lileng
Board Member

Tom Lileng holds a Bachelor of Science in Finance and MBA from Florida Atlantic University. He was most recently Managing Director of General Oriental Advisory where he was responsible for inter alia portfolio management and investment strategy. He has broad financial background from the global financial services industry including from UBS, SPI Funds, and Santander Asset Management, and he has experience from mining investment projects. Lileng resides in Switzerland.

THE MANAGEMENT TEAM

Ivar S. Fossum
CEO until 1 March 2025

Fossum holds a Master of Science in Mechanical Engineering from the University of Science and Technology ("NTNU") in Trondheim, Norway. He has previously held various managerial and commercial positions within the petroleum and fertilizer industries in the Norsk Hydro Group and in FMC Technologies, including as General Manager of Norsk Hydro East Africa Ltd. and as Chief Executive Officer of Loke AS. Fossum is a Norwegian citizen and resides in Asker, Norway.

Finn Ivar Marum
CEO from 1 March 2025

Marum holds a Master of International Affairs from Columbia University and a Bachelor of Arts from Concordia College. He brings experience in industrial scale up and capital markets to his role as CEO of Nordic Mining, with prior experience as CEO of the Nortek Group, Senior Partner at HitecVision, and Executive Vice President at Norfund, the Norwegian Investment Fund for Developing Countries. Marum has held significant board roles and is serving as Chairman of Moelven Industrier ASA and board member of GK Gruppen AS. Marum is a Norwegian citizen and resides in Oslo, Norway.

Tord Meling
CFO

Meling holds a Master of Science in economics from the Norwegian School of Economics (NHH). Meling joined Nordic Mining in August 2024 as Chief Financial Officer (CFO). He has broad financial and managerial experience, with nine years as Investment Director at Ojada AS/ Sayonara AS and more than ten years of experience from Norwegian Air. In Norwegian Air, Meling was part of the financial management team with responsibilities within business development, project management and corporate finance. The last five years in Norwegian Air he was Head of Aircraft Finance. Meling is a Norwegian citizen and resides in Oslo, Norway.

Maurice Kok
Commercial Director

Kok holds a Master of Science in Business Administration from Erasmus University in Rotterdam, the Netherlands. He has more than 15 years' experience in sales, marketing, and business development positions in Elkem, TiZir/Eramet and Kalbar Operations. He has been involved with mining projects in Senegal and Australia, at an early stage ahead of operations commencing. Kok is a Dutch citizen and resides in Tromsø, Norway.

Kenneth Nakken Angedal
Managing Director Engebø Rutile and Garnet

Angedal holds a Bachelor of Automation Technology, Control Engineering from the Western Norway University of Applied Science. Angedal has had the position as Project Manager for the Engebø Project from August 2018 to January 2022. He has broad management and project experience from various technical and management positions in the ABB Group including as Vice President, Digital Services in ABB's Marine Business Unit. Angedal is a Norwegian citizen and resides in Førde, Norway.

Trond Langeng
Manager Resource and Development

Langeng holds a Master of Resource and Bedrock Geology from the Norwegian University of Science and Technology (NTNU) in Trondheim, Norway. He has experience as an exploration geologist in Capella Minerals Norway AS. Besides planning and conducting geological projects, he also has experience with community relations and permitting. Langeng is a Norwegian citizen and resides in Oslo, Norway.

CORPORATE GOVERNANCE

Proactive and transparent corporate governance is essential for aligning the interests of our various stakeholders. The Board of Directors (the "Board") of Nordic Mining ASA ("Nordic Mining" or the "Company") believes that good corporate governance drives sustainable business conduct and long-term value creation. Nordic Mining's framework for corporate governance has been implemented to decrease business risk, maximize shareholder value, and utilize the Company's resources in an efficient and sustainable manner for the benefit of shareholders, employees, and society at large.

Implementation and reporting on corporate governance

Nordic Mining targets to comply with the principles in the Norwegian Code of Practice for Corporate Governance (the "Corporate Governance Code") where applicable and will explain possible deviations. The Company's corporate governance framework is subject to annual reviews and discussions by the Board.

The Corporate Governance Code, last revised on 14 October 2021, is available on the Norwegian Corporate Governance Committee's website (www.nues.no). The objective of the Corporate Governance Code is that companies listed on regulated markets in Norway will practice corporate governance that regulates the division of roles between shareholders, the Board, and executive management ("Management") more comprehensively than is required by legislation.

As an issuer of shares on Oslo Stock Exchange, Nordic Mining complies with and operates in accordance with rules governing the Norwegian stock exchange, including the at any time applicable rules of Continuing Obligations of Oslo Rule Book II Section 4.4, as well as the corporate governance principles and practices as required by the Norwegian Accounting Act section 3-3b. The Company has fulfilled its corporate governance reporting requirements.

Business

Nordic Mining's objectives are defined in the Company's Articles of Association which are published on page 71 of this annual report as well as at the corporate website (www.nordicmining.com): *"The object of the Company is to carry out exploration for minerals and ores, mining activity, technology development, activities that may be associated herewith, and participation in other companies anywhere in the world."*

It is the responsibility of the Board to define clear objectives, strategies, and risk profiles for the Company's business activities and to ensure that these support value creation for shareholders. The Board evaluates these objectives, strategies, and risk profiles at least annually. More details on Nordic Mining's activities and strategies are presented in the Board of Directors' Report on pages 17-22 of this annual report.

Nordic Mining owns 100% of the shares in the subsidiaries Engebø Rutile and Garnet AS, Nordic Quartz AS and Nordic Titanium AS (jointly "the Group").

Equity and dividends

As of 31 December 2024, the Group's equity amounted to NOK 1.4 billion, which is equivalent to 43% of the total assets. The Board assesses the Company's capital structure on a regular basis to ensure adequate liquidity for prioritized activities and funding for the Group's planned construction projects.

Nordic Mining plans to implement a competitive dividend policy with the objective of providing its shareholders with a return on investment at minimum comparable with investments with similar risk profiles. The return should come in the form of cash dividends and/or share buyback, if applicable, and increased share value. The amount of any dividends to be distributed will depend on the Group's investment needs and general development and financing of the Company.

For information on equity issues in 2024 and up to the date of this report, as well as the status of authorizations from the general meeting to the Board to increase the share capital of the Company, reference is made to the Board of Directors' Report.

Equal treatment of shareholders and transactions with related parties

There were no significant transactions between the Company and related parties in 2024, except for ordinary commercial transactions with subsidiaries. All transactions between the Company and related parties are on an arm's length basis.

Any recommendation made by the Board to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital will be justified. In the opinion of the Board, satisfactory arguments and information have been provided regarding such deviations from existing shareholders' priority rights related to equity issues by the Company.

Shares and negotiability

Nordic Mining has one class of shares, and all shares carry equal rights. The Articles of Association do not contain any provisions restricting the exercise of voting rights.

Further, the Articles of Association place no restrictions on the transferability of Nordic Mining shares, and the shares are freely negotiable.

General meetings

The shareholders exercise supreme authority in Nordic Mining through the general meeting. The Company's Articles of Association and the provisions of the Norwegian Public Limited Companies Act assign the following functions to the general meeting:

- Election of members of the Nomination Committee.
- Election of members of the Board.
- Election of the external auditor and approval of the auditor's remuneration.
- Adoption of the annual accounts and the Board of Directors' Report.
- Resolve any distribution of dividend recommended by the Board.
- Consideration of any other items on the agenda in the notice of the general meeting.

Nordic Mining's annual general meeting in 2024 was held on 23 May 2024. The date of the forthcoming annual general meeting is 27 May 2025.

Notices of general meetings are published as stock exchange releases and made available on the corporate website at least 21 days in advance of a general meeting. The Company's annual report is published on the corporate website at least 21 days prior to the annual general meeting. General meeting notices outline the agenda matters and are distributed in Norwegian with an English translation to foreign shareholders.

The general meeting votes on each matter separately and all shareholders are entitled to submit items to the general meeting agenda, to meet, speak, and vote, either in person or by proxy. The deadline for notifying attendance is normally two days prior to the general meeting.

The Nomination Committee's recommendation concerning the election of Directors and members of the Nomination Committee is published together with the notice of the general meeting. In line with the Corporate Governance Code's recommendation, it is the Company's policy that the general meeting votes on each candidate separately.

Nordic Mining has around 16,000 shareholders who are widely distributed geographically. The Company provides shareholders that are unable to attend in person the opportunity to vote on every item on the agenda by proxy. To ensure that general meetings are conducted professionally and impartially, the Company's share registrar, DNB Verdipapirservice, assists on practical matters in relation to the general meeting.

Representatives of the Board and Management are represented at the general meetings. Normally, the Company's auditor and legal advisor are also present. The general meeting is normally chaired by the Chair or the Deputy Chair of the Board. In the event of disagreement about specific agenda items where the Chair of the meeting either supports one of the factions or for other reasons cannot be considered impartial, Nordic Mining has procedures to ensure that the meeting is chaired impartially. In such cases, the general meeting will have an opportunity to appoint an alternative Chair of the meeting to ensure impartiality in relation to the item(s) on the agenda.

Nomination Committee

The Articles of Association stipulates that the Company shall have a Nomination Committee consisting of three members who shall be elected by the general meeting for terms of two years. As of 31 December 2024, the Nomination Committee consisted of the following members who all are independent of the Board and Management:

- **Ole G. Klevan, Chair**
  Lawyer/Partner and Head of Industry & Energy at the law firm Schjødt
- **Torger Lien, Member**
  CEO of TSO Holding AS and board member of Nord Pool Holding AS and Energy GmbH
- **Brita Eilertsen, Member**
  Non-executive Director for listed and unlisted companies

The Nomination Committee's duties are to:

- Prepare recommendations to the general meeting concerning the election and remuneration of Directors.
- Prepare recommendations to the general meeting regarding the election of members to the Nomination Committee.

The Nomination Committee's recommendations contain separate justifications for each candidate proposed. Contact details and guidelines for the Nomination Committee are available on the corporate website.

Board of Directors; composition and independence

As of 31 December 2024, the Board of Directors consisted of five members who all are independent of the Company's major shareholders and Management. The Chair of the Board and the other Directors are elected by the general meeting for terms not exceeding two years.

Further information on each Director is available on page 23 of this annual report and on the corporate website. Information about Directors' remuneration and number of shares held in Nordic Mining is provided in Note 21 to the consolidated financial statements.

As of 31 December 2024, and at the date of this report, the Board consists of:

- **Kjell Roland, Chair**
  Participated in 23 of 23 meetings in 2024
- **Kjell Sletsjøe, Deputy Chair**
  Participated in 23 of 23 meetings in 2024
- **Eva Kaijser, Board Member**
  Participated in 22 of 23 meetings in 2024
- **Benedicte Nordang, Board Member**
  Participated in 21 of 23 meetings in 2024
- **Tom Lileng, Board Member**
  Participated in 23 of 23 meetings in 2024

The work of the Board

The Board's work follows an annual plan which is evaluated and approved at or before the start of the calendar year. The agenda items reflect the Board's main duties for the overall governance of the Group and for the general monitoring of the Group's activities. The Board evaluates its performance and expertise at least annually and makes the evaluation available to the Nomination Committee.

The Board has established written instructions for its own work and the work of the CEO, and the CEO has established instructions for other Management. These instructions cover issues concerning the Board's duties and responsibilities, the CEO's duty to inform the Board, and procedural rules for the Board's and Management's work.

The Company's ethical guidelines include rules intended to avoid conflicts of interest and require that any person acting on behalf of Nordic Mining act honestly and in line with principles for good business ethics. The ethical guidelines require Directors and Management to notify the Board in case they, directly or indirectly, hold a material interest in a transaction or key matter of the Company or the Group. The Board's consideration of material matters in which the Chair is personally involved, or in other way is restrained from participating in, shall be chaired by the Deputy Chair or another Director.

At present, the Company is not required to establish an Audit Committee, as governed by the Norwegian Public Limited Liability Companies Act. Considering the Company's current phase of development, it is the opinion of the Board that assessments linked to financial statements and remuneration of Management are most appropriately undertaken by the Board acting as a whole. The Board will continue to assess potential benefits of establishing Board committees (e.g., Audit Committee, Compensation Committee or other) going forward.

Risk management and internal control

The Board is responsible for ensuring that the Company has good internal control and a well-functioning system for risk management and social responsibility. The Board's annual plan includes a review of the Company's risk areas and internal control system. In the Board's opinion, the current governance systems satisfactorily address risk management and internal control.

Management is responsible for establishing and maintaining an adequate level of internal control regarding the Group's financial reporting. Internal control related to financial reporting is a process that is designed to provide reasonable certainty that financial reporting is reliable and that financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the EU. The accounting principles applied by the Group conform to the IFRS as published by the International Accounting Standards Boards ("IASB"). A summary of significant accounting principles as well as discussion of risk factors are included in Note 2 and 18, respectively, in the consolidated financial statements.

The Company has engaged Sumit Up AS as the Group's accountant and has established routines for accounting work and reporting.

Remuneration of the Board

The remuneration of the Board is proposed by the Nomination Committee and resolved by the general meeting. The remuneration of the Board is not linked to the Company's performance and Directors are not granted share options.

The remuneration of the Board reflects the Board's responsibility, expertise, time commitment and the complexity of the Company's activities. Information on the remuneration to the Board in 2024 is included in Note 21 in the consolidated financial statements.

From the left: Kjell Roland, Eva Kaijser and Kjell Sletsjøe.

Remuneration of Management

Pursuant to section 6-16a of the Public Limited Liability Companies Act, the Board prepares an annual statement on the setting of salaries and other remuneration for Management. The statement is presented to and considered by the general meeting. Any equity-based remuneration is resolved by the general meeting.

The key principles underlying the remuneration of Management for 2024 have been that total remuneration should reflect the responsibilities and duties undertaken by each individual in Management, as well as contribution to the long-term value creation in the Group. In the opinion of the Board, it is crucial for Nordic Mining to offer competitive salaries and conditions to attract the qualities and expertise necessary to promote the strategic development of the Group, nationally as well as internationally.

Share options have been granted to employees in the past. There were no outstanding options at year-end 2022, 2023 or 2024.

Information regarding remuneration of Management in 2024 is presented in Note 21 in the consolidated financial statements.

Pursuant to the requirements under section 6–16b in the Public Limited Liability Companies Act a more detailed remuneration report will be prepared for advisory vote by the annual general meeting in May 2025.

Information and communications

Nordic Mining has adopted guidelines designed to ensure that its information policy is based on the principles of openness and equal treatment of all shareholders and participants in the securities market. The objective is to maintain accounting and reporting systems in which the investors will have confidence.

Management is responsible for communication with the capital markets and for relations with current and potential new investors. Nordic Mining's financial reports provide comprehensive information about the Group's operations, including its major value drivers and risk factors.

The financial reports and other information are published electronically. All shareholders are treated equally in relation to access to financial information. Reports, stock exchange releases and other presentation material are made available at the corporate website.

Take-overs

Nordic Mining's Articles of Association do not set any measures to limit the opportunity to acquire shares in the Company. In the event of a take-over bid for Nordic Mining, the Board will handle the bid in accordance with Norwegian law and the Norwegian Code of Practice for Corporate Governance and follow the overriding principle of equal treatment of all shareholders. Further, the Board will strive to ensure that the shareholders are given sufficient information and time to assess the offer as well as ensure that the Company's business activities are not unnecessarily disrupted.

The Board will not seek to prevent any take-over unless it believes that the best interests of the Company and the shareholders justify such a take-over. The Board will not exercise mandates or pass resolutions with the intention of obstructing any take-over bid unless it is approved by the general meeting following the announcement of the bid.

The Board will issue a statement in accordance with statutory requirements and the recommendations in the Corporate Governance Code, including considerations regarding a possible valuation from an independent expert.

Transactions that in effect imply a sale of Nordic Mining's entire business will be subject to approval by the general meeting.

The Company has not established other principles for potential take-over situations.

Auditor

Nordic Mining's auditor is elected by the general meeting and is independent of the Company. The general meeting also approves the auditor's remuneration.

The auditor's work is based on a plan that is presented to the Board on an annual basis. The auditor attends Board meetings that discuss and approve the Group's and Company's annual reports. At such meetings, the auditor gives a statement of any material changes to Nordic Mining's accounting principles and provides an assessment of material accounting estimates, as well as a complete account of any situation where there has been disagreement between the auditor and Management.

The auditor presents to the Board a review of the Company's control routines and potential areas of improvement in relation to accounting. When required and at least once a year, the auditor meets with the Board without Management present.

Nordic Mining places importance on independence and has clear guidelines regarding the use of other services from external auditors. All services from the external auditor, including non-audit services, are subject to pre-approval as defined by the Board of Directors in line with the Public Audit Act that entered into force on 1 January 2021.

Information on the remuneration to the auditor in 2024, including breakdown between statutory auditing and non-audit services, is presented in Note 5 to the consolidated financial statements.

Oslo, 24 April 2025
The Board of Directors of Nordic Mining ASA

Kjell Roland *Chair*	Kjell Sletsjøe *Deputy chair*	Eva Kaijser *Board member*	Benedicte Nordang *Board member*	Tom Lileng *Board member*	Finn Ivar Marum *CEO*

Consolidated accounts for Nordic Mining

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Amounts in NOK thousands)	Note	2024	2023
Payroll and related costs	4,20	(11 126)	(15 082)
Depreciation and amortization	10	(2 726)	(346)
Other operating expenses	5	(40 753)	(31 041)
Operating profit/(loss)		**(54 605)**	**(46 469)**
Fair value gains/losses on convertible loan	17	-	3 354
Net exchange rate gain/loss (-)	6	(127 106)	25 911
Financial income	6	69 806	26 099
Financial costs	6	(3 115)	(55 002)
Profit/(loss) before tax		**(115 020)**	**(46 107)**
Income tax	7	-	-
Profit/(loss) for the period		**(115 020)**	**(46 107)**
(Amounts in NOK)			
Earnings per share			
Basic earnings per share	8	(1.06)	(0.51)
Diluted earnings per share	8	(1.06)	(0.51)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in NOK thousands)	Note	2024	2023
Net profit/(loss) for the period		**(115 020)**	**(46 107)**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Changes in pension estimates, net of tax	14,22	317	536
Other comprehensive income directly against equity		**317**	**536**
Total comprehensive income/(loss) for the period		**(114 703)**	**(45 571)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK thousands)	Note	31.12.2024	31.12.2023
ASSETS			
Non-current assets			
Mine under construction	9	2 654 418	1 377 083
Property, plant and equipment	10	97 171	3 062
Right-of-use assets	10	663	1 025
Pension assets	22	111	-
Total non-current assets		**2 752 363**	**1 381 170**
Current assets			
Trade and other receivables	11,18	27 704	30 561
Spare parts inventory		10 011	-
Bond Escrow	12	-	1 075 042
Restricted cash	13	12 645	8 430
Cash and cash equivalents	13	454 774	634 984
Total current assets		**505 134**	**1 749 017**
Total assets		**3 257 497**	**3 130 187**

(Amounts in NOK thousands)	Note	31.12.2024	31.12.2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	14	1 300 938	1 300 938
Share premium	14	276 410	277 928
Other paid-in capital		16 038	16 038
Retained earnings/(losses)		(177 263)	(62 243)
Other comprehensive income/(loss)	14	(3 379)	(3 696)
Total equity		**1 412 744**	**1 528 965**
Non-current liabilities			
Lease liabilities	23	194	466
Bond loan	12,18	1 043 609	902 182
Royalty liability	15	599 798	517 574
Pension liabilities	22	-	219
Total non-current liabilities		**1 643 601**	**1 420 441**
Current liabilities			
Trade payables	18	44 394	94 312
Other current liabilities	16	156 757	86 468
Total current liabilities		**201 151**	**180 780**
Total liabilities		**1 844 752**	**1 601 221**
Total shareholders' equity and liabilities		**3 257 497**	**3 130 187**

Oslo, 24 April 2025
The Board of Directors of Nordic Mining ASA

Kjell Roland
Chair

Kjell Sletsjøe
Deputy chair

Eva Kaijser
Board member

Benedicte Nordang
Board member

Tom Lileng
Board member

Finn Ivar Marum
CEO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts in NOK thousands)	Note	Share capital	Share premium	Other-paid-in capital	Other comprehensive income/(loss)	Accumulated losses	Total equity
Equity 1 January 2023		**139 390**	**319 430**	**16 038**	**(4 232)**	**(16 135)**	**454 491**
Profit/(loss) for the period		-	-	-	-	(46 107)	(46 107)
Other comprehensive income		-	-	-	536	-	536
Total comprehensive income		**-**	**-**	**-**	**536**	**(46 107)**	**(45 571)**
Share issue	14	1 161 548	-	-	-	-	1 161 548
Transaction costs		-	(41 501)	-	-	-	(41 501)
Equity 31 December 2023		**1 300 938**	**277 928**	**16 038**	**(3 696)**	**(62 243)**	**1 528 965**
Equity 1 January 2024		**1 300 938**	**277 928**	**16 038**	**(3 696)**	**(62 243)**	**1 528 965**
Profit/(loss) for the period		-	-	-	-	(115 020)	(115 020)
Other comprehensive income		-	-	-	317	-	317
Total comprehensive income		**-**	**-**	**-**	**317**	**(115 020)**	**(114 703)**
Share issue	14	0	-	-	-	-	0
Transaction costs	14	-	(1 518)	-	-	-	(1 518)
Equity 31 December 2024		**1 300 938**	**276 410**	**16 038**	**(3 379)**	**(177 263)**	**1 412 744**

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in NOK thousands)	Note	2024	2023
Operating activities			
Income/loss (-) before income tax		(115 020)	(46 107)
Depreciation	10	2 726	346
Gain/loss on sale of fixed assets		-	117
Gains/losses on on convertible loan	17	-	(3 354)
Interest and fees, loans and borrowings		(21 216)	94 458
Interest Bond Escrow	12	(25 497)	(53 517)
Interest income bank deposits		(21 945)	(14 335)
Interest income bank deposits received		21 945	14 335
Foreign exchange, net		118 267	(25 167)
Change in working capital		(3 118)	(2 495)
Transfer to restricted account	13	(4 215)	(4 215)
Difference between pension expense and payment		(13)	(1 057)
Net cash from/used (-) in operating activites		**(48 086)**	**(40 990)**
Investing activities			
Investment in mine under construction	9	(1 072 831)	(885 096)
Acquisition of property, plant and equipment	10	(87 803)	(2 628)
Sale of property, plant and equipment		-	359
Net cash used in investing activities		(1 160 635)	(887 365)

(Amounts in NOK thousands)	Note	2024	2023
Financing activities			
Share issuance	14	0	1 021 926
Transaction costs, share issue	14	(1 518)	(41 501)
Transfer from Bond Escrow	12	1 152 427	-
Net proceeds from royalty financing	15	-	536 820
Interest paid		(136 317)	(88 694)
Other financing fees paid		-	(23 686)
Payment of lease liabilities	23	(305)	(439)
Net cash from financing activities		**1 014 287**	**1 404 426**
Net change in cash and cash equivalents		**(194 434)**	**476 072**
Cash and cash equivalents at beginning of period		634 984	164 703
Effect of exchange rate fluctuation on cash held		14 224	(5 791)
Cash and cash equivalents at end of period		**454 774**	**634 984**
Net change in restricted cash		4 215	4 215
Restricted cash at beginning of period		8 430	4 215
Restricted cash at end of period		12 645	8 430
Restricted and unrestricted cash at end of period		**467 419**	**643 414**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL INFORMATION

Nordic Mining ASA ("the Company") and its subsidiaries (together "the Group") is a resource Company with focus on high-end industrial minerals and metals. The Group is undertaking a large-scale industrial development at Engebø on the west coast of Norway where the Group has mining rights and permits to a substantial eclogite deposit with rutile and garnet.
The address to Nordic Mining's office is Munkedamsveien 45, N-0250 Oslo, Norway.

These financial statements were approved for issue by the Board of Directors on 24 April 2025.

NOTE 2 - SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of preparation
Material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied unless otherwise stated. The consolidated financial statements of Nordic Mining ASA have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU.

The consolidated financial statements have been prepared on a historical cost basis with some exceptions outlined below; the main exceptions being plan assets under defined benefit pension plans and derivative instruments measured at fair value.

Significant accounting judgments, estimates and assumptions
The preparation of the Group's financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Uncertainty about these assumptions and estimates could result in significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key areas of judgement and estimation uncertainty:

- *Royalty liability (Note 15):*
  The future royalty payments under the royalty agreement equal to 11% of gross revenue from the Engebø Project. The royalty liability is therefore subject to a high degree of judgment and estimation involved in establishing assumptions for the estimation of the expected future royalty payments. It requires long-term assumptions to be made concerning a number of economic factors such as future production levels, price expectations and market conditions. At each reporting period, modifications to production plans and price expectations are evaluated, and when required, a modification gain/loss is recognized.

  The royalty liability lasts for the entire operational life of the mine, with an upper limit of 90 years. The current expected life of the mine is 39 years, but the life of the mine could end up being shorter or longer and changes to the expected life of the mine may impact the assessment of the royalty liability

  The Group has the option to reduce the royalty rate from 11% to 5.5% on certain conditions in 2028 or 2029. The buyback fee for such a reduction event is based on a calculation securing the royalty holder a certain return on the reduced portion of the royalty instrument for the duration it was held. If the Group assesses that a future reduction event is the most economic and likely scenario it may impact the assessment of the royalty liability. At this stage this option to reduce the royalty rate has not been included in the calculations.

- *Impairment of Mine under construction (note 9):*
  The Group reviews whether its Mine under construction has suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset is written down to its recoverable amount when the recoverable amount is lower than the carrying value of the asset. The recoverable amount is the higher of fair value less expected cost to sell and value in use (present value based on the future use of the asset).

  The Group has performed an impairment test due to indicators of impairment being present at year end 2024 for the value of the mine in Engebø. Indicators considered are delays in production and shipment volumes compared to original plans, resulting in a reduction of expected revenue generated from ERG in 2025. In addition, there has been an overall reduction in rutile prices from 2025 and onwards compared to previous price estimates, which affects the market outlook.

  All impairment assessments require a high degree of estimation, including assessments of expected future cash flows from the mine and the estimation of applicable discount rates. Impairment testing requires long-term assumptions to be made concerning economic factors such as future production levels, market conditions, production expense, discount rates and political risk among others, in order to establish relevant future cash flow estimates. There is a high degree of reasoned judgment involved in establishing these assumptions. In our assessment of future cash flows, we have made assumptions on future production levels, marked conditions and prices, and production expenses. Future production levels are based on our internal financial model for the first five years and the UDFS for the remaining years of the mine. Market conditions and prices are based on offtake agreements for the first five years, and estimated market prices are based on an external marked expert, TZMI, for the remaining years of the mine. Production expenses are based on our internal financial model for the first five years and the UDFS for the remaining years of the mine.

The required return on equity is estimated using the Capital Asset Pricing Model (CAPM) and the Weighted Average Cost of Capital (WACC) to determine the required rate of return. The WACC calculation is sensitive to its input factors. The 10-year US government bond loan rate per 31 December 2024 is used as the risk free rate. The beta estimate is based upon industry levered beta and the market risk premium is the country risk. The debt interest is the weighted average of the IRR on the bond loan and the royalty loan. The WACC used is 16.5%.

Results of the impairment test showed that the net present value of the future cash flows of ERG is above the net carrying amount of the mine. As a result, no impairment was recognized.

- *Functional currency:*
  The functional currency of all entities in the Group is the Norwegian Kroner (NOK). The determination of functional currency involves judgement to identify the primary economic environment in which the entity operates, and the management needs to reconsider the functional currency of the entity if there is a change in events and conditions which can determine the primary economic environment assessment.

  In the case of the subsidiary Engebø Rutile and Garnet AS, it is considered appropriate using NOK as the functional currency as NOK most faithfully represent the currency of the primary economic environment in which the entity operates.

- *Capitalization of deferred tax assets (Note 7):*
  The Group has incurred substantial tax losses carried forward. At year-end 2024, the Group cannot substantiate that there will be sufficient future taxable income to be able to realize the Group's unused tax losses, and therefore the Group has not recognized deferred tax assets at 31 December 2024. At year-end 2024, the Group has NOK 201.6 million in unrecognized net deferred tax assets.

Inventories
Rutile and garnet ore stockpiles are valued at the lower of cost or net realizable value. Net realizable value is the estimated future sales price of the product the company expects to realize when the product is processed and sold, less estimated costs to complete production and bring the product to sale. The sales price of the products is determined based on relevant market prices and offtake agreements.

Cost of finished goods is determined using the weighted-average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortization, incurred in converting materials into finished goods, based on the normal production capacity. The cost of production is allocated to rutile and garnet products with an equal value.

Costs of ore stockpiles which is stored at desired locations around the pit is valued to costs from ore extraction operations which includes blasting and transportation. Ore in circuit includes crushed ore stored in silos which represent material that is currently in process of being converted to saleable product. In-process material is measured based on assays of the material fed to process and the projected recoveries at the respective plants. In-process inventories are valued at the average cost of the material fed to process attributable to the source material coming from the mine or stockpile plus the in-process conversion costs, including the applicable depreciation relating to the process facility, incurred to that point in process. Materials, production supplies and spare parts are measured using the first-in, first-out (FIFO) method.

Basis for consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The subsidiaries include Engebø Rutile and Garnet AS, Nordic Titanium AS and Nordic Quartz AS, all 100% owned and located in Norway. The accounting principles of the subsidiaries have been changed when necessary to ensure consistency with the policies adopted by the Group. All intra-group transactions, balances, income and expenses are eliminated.

Foreign currency translation
Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). NOK is the functional currency of all entities in the Group. NOK is also the presentation currency of the Group.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are recognized in the income statement.

Mine under construction
All expenditure of the construction, installation or completion of infrastructure facilities is capitalized as Mine under construction. There is a high degree of judgment applied in determining capitalization versus expensing of cost incurred. After production starts, all costs included in Mine under construction are transferred to the category 'Producing mine' and other relevant categories. Mine under construction is not depreciated until construction is completed and the assets are available for their intended use. Mine under construction is stated at historical cost less accumulated depreciation and any impairment.

Property, plant and equipment
Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment.

Depreciation is calculated on a straight-line basis over the useful life of the asset.

The carrying amount of the asset is written down to recoverable amount when the carrying amount is higher than the estimated recoverable amount.

Borrowing costs
Borrowing costs that are directly attributable to the acquisition or construction of the mine are capitalized during the period of time that is required to complete and prepare the mine for its intended use. Interest income from the Bond Escrow is

deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs related to the bond loan up to the satisfaction of the condition of the Engebø Project being fully financed are recognized as expense in the income statement. Following the satisfaction of the financing conditions on 8 March 2023, net borrowing costs are capitalized as part of Mine under construction. Borrowing costs are presented in the cash flow statement as Interest and fees, loans and borrowings.

Bond loan
The bond loan is initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing (including any discounts and premium). After initial recognition, the bond loan is subsequently measured at amortized cost using the effective interest method; any difference between proceeds (net of transaction cost including any discounts and premium) and the redemption value is recognized on the income statement over the period of the loan.

Bond Escrow
The restricted cash balances from the bonds were previously classified as "Bond Escrow" in the consolidated statement of financial position, and have been recognized as cash in the consolidated statement of financial position when the funds were released from the escrow account.

Royalty liability
The Group completed in 2023 the drawdown of a USD 50 million non-dilutive royalty instrument, with future royalty payments under the Royalty Agreement equal to 11% of gross revenue from the Engebø Project.

The royalty liability is initially recognized at the USD 50 million drawdown received net of directly attributable transaction costs at drawdown. After initial recognition the royalty liability under the Royalty Agreement is subsequently amortized at the effective interest rate, and the difference between the drawdown received net of transaction costs and the royalty payments is recognized as financial cost in the income statement, over the period for the expected royalty payments. At each reporting period, modifications to production plans and price expectations are evaluated, and when required, a modification gain/loss is recognized. Estimated royalty payments due within 12 months are classified as current liabilities.

Until construction of the Engebø project is completed, amortized cost is recognized as borrowing cost and capitalized under Mine under construction.

Derivative instruments
Derivative instruments are classified as financial assets or liabilities at Fair Value Through Profit or Loss (FVTPL). The carrying value of derivative instruments at FVTPL represents the instrument's fair market value. Any gains or losses arising on remeasurement are recognized in the income statement as incurred.

The Group has entered into a fixed price contract for the purchase of electricity to the mining facilities in Engebø. The fixed price contract covers a portion of the estimated use by the production facilities over the next three years (2025-2027). The contract qualifies for the own use exemption under IFRS 9 and is not defined as a financial instrument.

Cost of equity transactions
Share issuance cost that is incremental and directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds. When deferred tax assets are not recognized, items recorded directly to equity are accounted as gross, without any deduction of deferred taxes.

Contingent liabilities
Contingent liabilities are defined as:

- Possible obligations resulting from past events whose existence depends on future events.
- Obligations that are not recognized because it is not probable that they will lead to an outflow of resources.
- Obligations that cannot be measured with sufficient reliability.

Contingent liabilities are not recognized on the balance sheet unless arising from assuming assets and liabilities in a business combination. Significant contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Reference is made to Note 9 and 25 in the consolidated financial statements regarding contingent liabilities.

New standards, amendments and interpretations adopted by the Group
New standards and amendments to standards and interpretations effective from 1 January 2024, including the amendments to IAS 1 – Non-current Liabilities with Covenants, did not have any significant impact on the financial statements.

New standards, amendments and interpretations issued and effective as of 1 January 2025 not adopted by the Group
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2025 and have not been applied in preparing these financial statements. None of these new standards and amendments to standards and interpretations are expected to have any significant impact on the Group's financial statements, except for IFRS 18 Presentation and Disclosure in Financial Statements effective from 1 January 2027. The Group is currently assessing the potential impact of this new standard.

NOTE 3 - SEGMENTS

The Group presents segments based on of the Group's mineral projects. The only reportable segment of the Group is the Rutile and Garnet segment. These are the minerals which can be produced from the mineral deposit at Engebø. The Chief Operating Decision Maker ("CODM") for the segment is the board of Nordic Mining ASA.

NOTE 4 - SALARIES

(Amounts in NOK thousands)	2024	2023
Wages and salaries	44 579	25 970
Social security costs	7 213	4 732
Pension costs defined benefit plan	391	512
Pension costs defined contribution plan	1 976	984
Board members, etc	1 840	1 840
Other personnel costs	1 389	1 139
Capitalized payroll costs	(46 262)	(20 095)
Total	**11 126**	**15 082**
Average number of full time employees	47	18

Reference is made to Note 22 for further information about remuneration of Senior Management and guidelines for remuneration.

NOTE 5 - OTHER OPERATING COSTS

(Amounts in NOK thousands)	2024	2023
Lease expenses	6 068	3 716
Consulting and legal fees	10 684	14 236
Other costs	24 001	13 089
Total	**40 753**	**31 041**

The Norwegian Supreme Court ruled in March 2024 in favor of Nordic Mining on all counts in the case against Arctic Mineral Resources ("AMR"). The court also ruled that AMR shall pay all legal expenses. Total refund of legal expenses amounted to NOK 12.4 million and has been recorded as a reduction of other operating costs in 2024. The amount was received in April 2024.

Auditor fees

(Amounts in NOK thousands)	2024	2023
Statutory audit	2 122	1 783
Other attestation services	88	492
Total	**2 209**	**2 275**

The amounts exclude VAT.

See note 18 for information about fixed price electricity contract.

NOTE 6 - NET EXCHANGE RATE GAIN/LOSS (-), FINANCE INCOME AND FINANCE COSTS

The following table shows the components of net exchange rate gain/loss (-), financial income and financial expense:

(Amounts in NOK thousands)	2024	2023
Foreign exchange gain/loss (-) on bond Escrow in USD	51 888	30 917
Foreign exchange gain/loss (-) on the USD bond loan	(118 100)	(31 510)
Foreign exchange gain/loss (-) on the the USD royalty liability	(66 279)	31 551
Foreign exchange gain/loss (-) on foreign exchange derivatives*	(5 854)	-
Other net foreign exchange gain/loss (-)	11 239	(5 047)
Net exchange rate gain/loss (-)	**(127 106)**	**25 911**
Interest income on bank deposits	21 945	14 335
Interest income, Bond Escrow**	25 497	53 517
Interest income, Bond Escrow, capitalized**	(25 497)	(41 752)
Change in estimate royalty liability (see note 16)	47 860	-
Finance income	**69 806**	**26 099**
Interest cost and transaction cost bond loan**	(158 091)	(152 264)
Interest cost and transaction cost bond loan, capitalized**	158 091	122 069
Amortized cost royalty liability (see note 16)	(111 053)	(12 305)
Amortized cost royalty liability, capitalized (see note 16)	111 053	12 305
Other finance costs***	(3 114)	(24 805)
Finance costs	**(3 115)**	**(55 002)**

* The Group has entered into foreign exchange (FX) derivative contracts for forward sale of USD and purchase of NOK in Q2 2024 and Q3 2024. The purpose of the trades was to hedge the USD/NOK foreign exchange rate for the release of USD amounts from bond escrow. The value dates aligned with the expected bond Escrow account release dates for the second and third releases (see note 12). The contracts expired in Q2 2024 and in Q3 2024, with a net loss of NOK 5.9 million.

** Interest and transaction costs on bond loan, net of interest income on bond escrow, has been capitalized to Mine under construction from March 2023.

*** Other finance costs in 2023 relates to transaction costs related to the USD 50 milllion non-dilutive royalty financing agreement for the period up to draw down in November 2023 (see Note 15 for details on royalty liability), and other finance costs.

NOTE 7 - INCOME TAXES

The Group has incurred substantial tax losses carried forward and the related tax asset is shown in the table below. At year-end 2024, the Group cannot substantiate that there will be sufficient future taxable income to be able to realize the Group's unused tax losses, and therefore the Group has not recognized deferred tax assets at 31 December 2024. Tax losses can be carried forward indefinitely in Norway.

Amounts in NOK thousands	2024	2023
Taxes payable	-	-
Deferred tax	-	-
Income tax expense/(income)	**-**	**-**

Tax effects of temporary differences and tax loss carryforwards at 31 December:

Amounts in thousands	2024	2023
Mine under construction/PP&E	(115 040)	(10 785)
Pensions	(25)	48
Bond loan	(7 291)	(9 667)
Royalty liability	142 350	113 866
Tax loss carryforwards	181 620	82 629
Total net deferred tax assets	**201 614**	**176 091**
Nominal tax rate (used for measurement)	22 %	22 %
Recognized in the statement of financial position:		
Deferred tax asset	-	-
Deferred tax liability	-	-

The Group recognized NOK 1.5 million in gross transaction cost of the 2024 share issues directly in equity (2023: NOK 41.5 million) which is included in tax loss carry forwards.

The following table shows the reconciliation of expected tax using the nominal tax rate to the actual tax expense/(income):

Amounts in thousands	2024	2023
Income/loss (-) before tax	(115 020)	(46 107)
Nominal tax rate	22 %	22 %
Expected income tax	**(25 304)**	**(10 144)**
Non-deductible costs	46	(16)
Non-taxable income	-	-
Effect of non-taxable gains/losses on convertible loan	-	(989)
Effect of non taxable gains/losses on investments	-	-
Non-recognized tax assets on current year result	25 258	11 149
Tax expense/(income)	**-**	**-**

NOTE 8 - EARNINGS PER SHARE

(Amounts in NOK thousands and number of shares in thousands)	2024	2023
Earnings		
Attributable to ordinary shareholders	(115 020)	(46 107)
Number of shares		
Weighted average number of ordinary shares outstanding – basic*	108 412	90 183
Weighted average number of ordinary shares outstanding – diluted*	108 412	90 550
(Amounts in NOK)		
Earnings per share attributable to ordinary shareholders		
Basic earnings per share	(1.06)	(0.51)
Diluted earnings per share	(1.06)	(0.51)

* In March 2024 the Company completed a 20:1 reverse split, reducing the number of shares from 2,168,230,655 shares per 31 December 2023 to 108,411,533 shares. In accordance with IAS 33 the share count is adjusted retrospective for the reverse split.

The effect of potentially dilutive shares arising from the previous convertible loan (ref. Note 17) is not included in the calculation of diluted earnings per share for 2023 as these would be anti-dilutive.

NOTE 9 - MINE UNDER CONSTRUCTION

(Amounts in NOK thousands)	**Mine under construction**
Cost at 1 January 2023	288 410
Transfer from evaluation and exploration assets	-
Additions	1 088 673
Cost at 31 December 2023	**1 377 083**
Additions	1 277 335
Cost at 31 December 2024	**2 654 418**
Provision for impairment at 1 January 2023	-
Impairment	-
Provision for impairment 31 December 2023	**-**
Impairment	-
Provision for impairment 31 December 2024	**-**
Net book value 31 December 2024	**2 654 418**
Net book value 31 December 2023	1 377 083
Net book value 1 January 2023	288 410

2024:
The Engebø project is in a test phase and ramp-up phase, which means that the construction phase has been completed and all significant parts of the mine and processing plant have been installed and commissioned at site. At the end of the period, the company does not consider the plant to be operating in the manner intended by the management and the direct costs related to the work described above have been capitalized in the balance sheet as Mine under construction.

2023:
The Engebø Project is under construction, which includes continuation of Detail Engineering of the process plant, procurement and fabrication of critical process equipment, groundwork on the mine access road and ground – and building works on the process plant area, tunnel work and raise drilling of the vertical ore pass. The direct costs related to the work described above have been capitalized in the balance sheet as Mine under construction.

Mining concessions Engebø
The carrying amount for licenses related to the Engebø area was included in the transfer from Evaluation and exploration assets to Mine under construction in 2022. Additionally, the Group has a conditional liability to the seller of NOK 40 million that will be paid when commercial operation commences at Engebø. No liability has been recognized as per 31 December 2024 or 31 december 2023 as the Group's accounting policy is to account for conditional liabilities upon the relevant condition being met, and the condition of commercial operation was not met.

Pledged as security
The USD 100 million bond loan has mortgages over all real properties owned by Engebø Rutile and Garnet AS and property accession rights agreements (Nw. utvinningsavtaler), first priority floating charge over all machinery and plant, vehicles, inventory and trade receivables of ERG, and first priority pledge over any government granted mining or extraction right. For further details on pledges please see ticker ERUGA01 PRO at https://live.euronext.com/nb to read the loan agreement.

Impairment
Management have performed an impairment test of the mine. The recoverable amount was determined to be the value in use, which was determined to be higher than the carrying amount of the mine. The Company has therefore not recognized an impairment charge. The value in use calculation is highly sensitive to the revenue assumptions as a significant reduction in estimated revenue could result in an impairment. The test used assumptions as mentioned in note 2.

In connection with the impairment test of the mine, sensitivity analyses are carried out for the cash generating unit. A reduction of revenue of 6,5% overall can result in fair value being below carrying value, resulting in an impairment of the mine. An increase in WACC to 19% (from the base of 16,5%) can result in fair value being below carrying value, resulting in impairment. If the ramp up is further delayed by another 6 months, it can result in fair value being below carrying value, resulting in an impairment of the mine.

NOTE 10 - PROPERTY, PLANT, EQUIPMENT AND RIGHT-OF-USE ASSETS

(Amounts in NOK thousands)	Property, machinery and equipment	Buildings*	Right-of-use assets	Total
Cost				
1 January 2023	1 577	-	664	2 241
Additions	2 628	-	1 085	3 713
Disposals	(1 051)	-	-	(1 051)
31 December 2023	**3 154**	**-**	**1 749**	**4 903**
Additions	14 388	82 085	-	96 473
Disposals	-	-	-	-
31 December 2024	**17 542**	**82 085**	**1 749**	**101 376**
Depreciation				
1 January 2023	(487)	-	(558)	(1 045)
Depreciation expense	(180)	-	(166)	(346)
Disposals	575	-	-	575
31 December 2023	**(92)**	**-**	**(724)**	**(816)**
Depreciation expense	(1 271)	(1 093)	(362)	(2 726)
Disposals	-	-	-	-
31 December 2024	**(1 363)**	**(1 093)**	**(1 086)**	**(3 542)**
Net book value:				
31 December 2024	**16 179**	**80 992**	**663**	**97 834**
31 December 2023	3 062	-	1 025	4 087
1 January 2023	1 090	-	106	1 196

* Additions to buildings in 2024 relate to the administration building and the process area workshop that has been completed in 2024. These buildings are classified within Property, plant and equipment in the balance sheet.

Machinery and equipment are depreciated on a straight-line basis over an estimated useful life of 4-10 years. Property is not depreciated. Buildings are depreciated on a straight-line basis over an estimated useful life of 39 years (life of the Mine).

NOTE 11 - TRADE AND OTHER RECEIVABLES

(Amounts in NOK thousands)	2024	2023
Other financial receivables	959	904
Prepayments	3 023	1 848
VAT receivable	23 722	27 809
Total	**27 704**	**30 561**

NOTE 12 - BOND LOAN AND BOND ESCROW

Nordic Mining ASA's wholly owned subsidiary Engebø Rutile and Garnet AS has a USD 100 million 5-year senior secured bond listed on Nordic ABM with ticker: ERUGA01 PRO. The bond is administered by Nordic Trustee, has fixed coupon of 12.5% per annum, with interest payable quarterly in arrears, maturity in November 2027, and an issue price of 90%.

The net proceeds of the bond of USD 90 million were on issue deposited into a Bond Escrow account, together with issue discount of USD 10 million, four months bond interest of USD 4.2 million, and transaction costs of USD 3.3 million, transferred by Engebø Rutile and Garnet AS in line with the bond terms. Following conditions of the Engebø Project being fully funded, which were satisfied on 8 March 2023, the bonds were reclassified to non-current liability in the statement of financial position. The proceeds from the bond were released in three tranches from the Bond Escrow account after satisfaction of certain predisbursement conditions precedent, to be used for costs and expenditures to bring the Engebø Project into commercial production.

In Q1 2024 the first release of USD 30 million from the bond escrow was completed, in Q2 2024 the second release of USD 30 million was completed, and in Q3 2024 the Company completed the third and final release of USD 48 million.

The bond loan was initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing (inclusive the 10% discount). After initial recognition, the bond loan is subsequently measured at amortized cost using the effective interest method; any difference between proceeds (net of transaction cost including the 10% discount) and the redemption value is recognized on the income statement over the period of the loan.

2024

(Amounts in thousands)	**Carrying amount Bond Loan**	**Carrying amount Bond Escrow**	**Cash transferred to Bond Escrow**
At 1 January	902 182	1 075 042	
Amortization of fees	23 328		
Interest payment from Bond Escrow		-	
Interest income on bond escrow		25 497	
Foreign exchange	118 100	51 888	
Release from Bond Escrow		(1 152 427)	1 152 427
Total at year end	**1 043 609**	**0**	**1 152 427**

2023

(Amounts in thousands)	**Carrying amount Bond Loan**	**Carrying amount Bond Escrow**	**Cash transferred to Bond Escrow**
At 1 January	850 825	1 032 597	
Amortization of fees	19 847		
Interest payment from Bond Escrow		(41 989)	
Interest income on bond escrow		53 517	
Foreign exchange	31 510	30 917	
Total at year end	**902 182**	**1 075 042**	**-**

The bond loan is secured by first priority pledge over the shares of Engebø Rutile and Garnet AS ("ERG"), mortgages over all real properties owned by ERG and property accession rights agreements (Nw. utvinningsavtaler), first priority floating charge over all machinery and plant, vehicles, inventory and trade receivables of ERG, first priority pledge over any government granted mining or extraction rights and other security usual and customary for a transaction of this type. The bond loan contains certain financial covenants including minimum liquidity of USD 15 million at all time in ERG and a minimum equity ratio of no less than 25% at Group level at each quarter date. For further details please see ticker ERUGA01 PRO at https://live.euronext.com/nb to read the loan agreement.

The table below provides an overview of the maturity profile and estimated interest payments for the Company's bond loan. Please note that the annual interest payment is USD 12.5 million, so the estimated interest payments in NOK are dependent on the USD/NOK exchange rate. The figures in the table below are based on the exchange rate at year end 2024.

(Amounts in thousands)	1 year	2-5 years	Estimated payments
Repayment		(1 135 340)	(1 135 340)
Estimated interest	(141 918)	(283 835)	(425 753)
Total payments on bond loan	**(141 918)**	**(1 419 175)**	**(1 561 093)**

See note 26 for information about increase of the existing bond loan in March 2025 through a tap issue with USD 33 million, priced at 101.00% of par.

NOTE 13 - CASH AND CASH EQUIVALENTS

(Amounts in NOK thousands)	2024	2023
Bank deposits	454 774	634 984
Total cash and cash equivalents	**454 774**	**634 984**
Restriced cash in tax withholding account	2 825	1 372

In addition to the amounts referred to above, the Group has a deposit of NOK 12.6 million (2023: NOK 8.4 million) on a restricted account at year-end presented as current assets pledged toward the Directorate of Mining. According to the standard procedure in Norway, the Group is obligated to provide financial security in favor of the Directorate of Mining. The size of the security is according to the requirement in the operational license to cover safety and clean-up measures in case of mine closure.

NOTE 14 - SHARE CAPITAL

Number of shares outstanding	**Ordinary Shares**
2023	
Opening balance	232 316 772
Share issuance	1 935 913 883
31 December 2023	**2 168 230 655**
2024	
Opening balance	2 168 230 655
Reverse split 20:1	(2 059 819 122)
Number of shares after reverse split 20:1	108 411 533
Share issuance	-
31 December 2024	**108 411 533**

All shares carry equal rights and had a par value of NOK 12 per share as of 31 December 2024.

2024
In March 2024, Nordic Mining completed a reverse split of 20:1 reducing the number of shares to 108,411,533 shares and increasing the par value to NOK 12 per share.

2023
In March 2023, Nordig Mining completed a private placement of 1,566,666,667 new shares at a subscription price per new share of NOK 0.60 with gross proceeds of NOK 940 million. The convertible loan was converted as a consequence of the private placement. The convertible loan with accrued interest, in total NOK 139,621,875, was converted at the same subscription price as in the private placement, i.e. NOK 0.60 per share. Fjordavegen Holding received 232,703,125 new shares in the company at a subscription price per share of NOK 0.60.
In April 2023, Nordic Mining completed a subsequent offering with 136,544,091 new shares at a subscription price per new share of NOK 0.60 with gross proceeds of NOK 81.9 million.

Following registration of the new shares from the private placement in March 2023, the conversion of the convertible loan in March 2023, and the new shares from the subsequent offering in April 2023, Nordic Mining's share capital has increased by NOK 1,161,548,330 to NOK 1,300,938,393.40 divided into 2,168,230,655 shares, each with a par value of NOK 0.60.

Components of other comprehensive income
The following table shows a reconciliation of the components of other comprehensive income ("OCI"):

(Amounts in NOK thousands)	Actuarial gain/loss	Total OCI
Balance on 1 January 2023	(4 232)	(4 232)
Actuarial gain/(loss)	536	536
Balance on 31 December 2023	**(3 696)**	**(3 696)**
Actuarial gain/(loss)	317	317
Balance on 31 December 2024	**(3 379)**	**(3 379)**

NOTE 15 - ROYALTY LIABILITY

In November 2023 Nordic Mining ASA's wholly owned subsidiary Engebø Rutile and Garnet AS completed drawdown of the USD 50 million non-dilutive royalty instrument from OMRF (Zr) LLC which is managed by the Orion Resource Partners Group ("Orion"). The future royalty payments under the royalty agreement equal to 11% of gross revenue from the Engebø Project.

The royalty liability lasts for the entire operational life of the mine, with an upper limit of 90 years. The Group have the option to reduce the royalty rate from 11% to 5.5% on certain conditions in 2028 or 2029. The buyback fee for such a reduction event is based on a calculation securing the royalty holder a certain return on the reduced portion of the royalty instrument for the duration it was held.

The royalty liability was initially recognized at the USD 50 million drawdown received net of directly attributable transaction costs at drawdown. After initial recognition the royalty liability under the Royalty Agreement is subsequently amortized at the effective interest rate, and the difference between the drawdown received net of transaction costs and the royalty payments is recognized as financial cost in the income statement, over the period for the expected royalty payments. The option to reduce the Royalty rate described above has not been included in these calculations. At each reporting period, modifications to production plans and price expectations are evaluated, and when required, a modification gain/loss is recognized. Estimated royalty payments due within 12 months are classified within other current liabilities.

Until construction of the Engebø project is completed, amortized cost is recognized as borrowing cost and capitalized under Mine under construction, in total NOK 111.1 million in 2024 (2023: NOK 12.3 million).

In December 2024 the Company has, based on updated Rutile price forecasts from TZMI, revised its estimates of future cash flows related to the royalty agreement. The net effect of the change in estimate, NOK 47.9 million, has been recognized as financial income.

Next year's estimated royalty payments have been reclassified to other current liabilities at 31 December 2024.

An annual royalty fee is also calculated and paid to land owners for the extraction of minerals. The royalty fee is equal to 0.5% of the annual income from rutile products sold and 1.25% of the annual income of garnet and other sub products sold. For other minerals not being sub products of rutile, the royalty fee is set to 2% of the corresponding annual income. The royalty fee to land owners will be recognized as an expense when incurred.

2024

(Amounts in NOK thousands)	Carrying amount	Cash flow
At 1 January	517 574	
Foreign exchange	66 279	
Amortization, change in estimate and other	15 946	
Total non-current portion of royalty liability	**599 798**	**-**

2023

(Amounts in NOK thousands)	Carrying amount	Cash flow
At 1 January	-	
Draw down	540 394	540 394
Fees paid at inception	-3 574	(3 574)
Foreign exchange	-31 551	
Amortization	12 305	
Total non-current portion of royalty liability	**517 574**	**536 820**

NOTE 16 - OTHER CURRENT LIABILITIES

(Amounts in NOK thousands)	**2024**	**2023**
Tax withholding and social security accrual	5 192	2 537
Employee salary and holiday pay accrual	4 354	2 532
VAT payable	-	241
Lease liability	305	305
Accrued interest bond loan	20 105	18 015
Accrued expenses and other	126 801	62 838
Total	**156 757**	**86 468**

Other current liabilities primarily relates to the short term portion of the royalty liability and amounts held back from EPC's pending the completion of the construction project in accordance with contract.

NOTE 17 - CONVERTIBLE LOAN

In January 2022, Nordic Mining entered into a NOK 132.5 million 5% interest bearing convertible loan in favor of Fjordavegen Holding AS, a local investor group led by two of the EPC partners for the Engebø project. This transaction was the first step in the project financing of the Engebø Project.

The convertible loan with accrued interests, in total NOK 139.6 million, was converted into 232,703,125 new shares in Nordic Mining ASA on 4 March 2023, in relation to the private placement to fully fund the Engebø Project.

2023

(Amounts in NOK thousands)	**Carrying amount**	**Cash flow**
At 1 January	142 976	
Change in fair value	-3 354	
Conversion	-139 622	
Total	-	-

NOTE 18 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Management of financial risk

Nordic Mining is exposed to certain types of financial risk related to the Group's financial instruments, primarily market risk related to floating interest rate risk on cash and cash equivalents, liquidity risk and currency risk.

Management of Nordic Mining manages the Group's financial risk primarily by identifying and evaluating potential risk areas. Management's focus is primarily on managing liquidity risk to secure continuing operations and financing of the Group's capital-intensive projects. Nordic Mining's cash holdings are placed in bank accounts in Norwegian Kroner (NOK), United States Dollars (USD), Euro (EUR) and Australian Dollars (AUD). At year-end 2024, the Group's main currency exposure is related to its bond loan and royalty liability, which are denominated in USD.

The Group has at year-end 2024 interest-bearing debt in the form of a bond loan. The Group's financial instruments at year-end 2024 mainly consist of the bond loan, royalty liability, bank deposits, customary short-term receivables, trade and other payables.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle its financial obligations as they fall due. The Group has historically used equity financing in order to meet liquidity requirements related to financial obligations, covering operational losses, exploration activities and investments. In order to secure financing of the Engebø project, the Group issued a bond loan and a convertible loan in addition to divesting its investment in Keliber in 2022. In 2023 the Group has issued equity and completed the draw down of the non-dilutive royalty financing, and the Engebø Rutile and Garnet Project is fully financed. The project financing comprises equity, debt and royalty financing. In order to strengthen the liquidity in ERG, the Group has carried out a tap issue on its existing bond loan subsequent to year end. Due to unforeseen challenges in Q1 2025, there has been a delay in the production and shipment plans affecting the estimated revenues for 2025. We remain confident in the Group's liquidity position, supported by the positive contribution from the tap issue in March 2025. For more information see note 26.

The Group estimates the remaining CAPEX in the Engebø project to be NOK 100 million at year end 2024. The Groups cash position at year end 2024 was NOK 467 million including NOK 13 in restricted cash.

The bond loan contains certain financial covenants including minimum liquidity of USD 15 million at all time in ERG and a minimum equity ratio of no less than 25% at Group level at each quarter date. The Group was in compliance with the covenants at year end.

Payments to the royalty holder are tied to the level of gross revenue; the outstanding royalty liability will decrease if gross revenue decreases and conversely the outstanding royalty liability will increase if gross revenue increases. Hence, reduced liquidity due to reduced revenue also reduces the financial obligations due under the royalty financing.

Of the Group's financial liabilities as at 31 December 2024 NOK 175.5 million mature within 6 months from balance sheet date (2023: NOK 159.7 million).

Market risk
Market risk consists of the risk that real value or future cash flow related to financial instruments will vary as a consequence of fluctuation in market prices. Market risk includes, but is not limited to, currency risk, interest rate risk and price risk from sales.

Fixed price electricity contract
The Group has entered into a fixed price contract for the purchase of electricity to the mining facilities in Engebø. The fixed price contract covers a portion of the estimated use by the production facilities over the next three years (2025-2027). The contract includes the delivery of 4MW per hour at a fixed price of NOK 0.404/KWh. The contract qualifies for the own use exemption under IFRS 9 and is not defined as a financial instrument.

(i) Interest rate risk
The Group's interest bearing debt at year-end is at fixed interest rates and the Royalty liability is not exposed to changes in the market interest rate. The Group's bank deposits are exposed to changes in the market interest rate.

The Group's exposure on the result at year end 2024 is approximately +/-NOK 4.7 million per percentage-point change in the variable market interest rate (2023: NOK 17.2 million).

(ii) Currency exchange risk
At year-end 2024, the Group's main currency exposure is related to its bond loan and royalty liability, wich are denominated in USD. A 10% increase or decrease in the USD currency rates would decrease/increase the net income and equity by approximately NOK 173.5 million at year-end.

At year-end 2023, the Group's main currency exposure is related to its bond loan, Bond Escrow and royalty liability, wich are denominated in USD. A 10% increase or decrease in the USD currency rates would decrease/increase the net income and equity by approximately NOK 46.0 million at year-end.

The Group had no foreign exchange hedges or instruments as per year-end 2024. Se note 6 for information about foreign exchange derivative contracts entered into in 2024 for forward sale of USD and purchase of NOK to hedge the USD/NOK foreign exchange rate for the release of USD amounts from bond escrow during 2024. These contracts expired in Q2 2024 and in Q3 2024.

Credit risk
Credit risk is the risk of financial losses if a customer or counterpart of a financial instrument is unable to meet contractual obligations.

The Group's current business has only limited credit risk. Cash and cash equivalents and security deposits in banks represent a large portion of the Group's financial assets at 31 December 2024. There has been no recognized loss on trade receivables in 2024 or 2023.

Procedures for evaluation of credit risk have been introduced and discretionary evaluations are done on a case-by-case basis.

Political risk
In addition to financial risk, the Group is exposed to political risk related to its mining projects. The political risk includes the risk of not obtaining or extending the relevant governmental permits necessary to extract and produce minerals from these mining projects.

The Group operates in an industry which is subject to extensive laws and regulations relevant for mining operations, in particular in relation to environmental and operational issues, which have become more stringent over time, and this development is expected to continue. Compliance with respect to environmental regulations, closure and other matters may involve significant costs and/ or other liabilities.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include obligations to take corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. There is a risk that the Group due to its engagement in mining and mineral processing activities will be required to compensate those suffering loss or damage by reason of such activities and may incur civil or criminal fines or penalties for violation of applicable laws or regulations.

Current environmental laws, regulations and permits governing operations and activities of mining companies may be changed. Regulatory requirements surrounding site reclamation and remediation activities, or more stringent implementation thereof, could have a material adverse impact on the Group and cause increases in capital expenditures or production costs or reduction in levels of operational production, or require abandonment or delays in the development of new sites. There are no current amendments that the Group is aware of that may impact the assets of the Group.

Nordic Mining's climate-related financial risk is considered to be low. The mining operations at the Group's main asset, the Engebø Project, is expected to have the lowest greenhouse gas footprint of all titanium feedstock producers due to available hydroelectric power in the area and a tight infrastructure with minimal transportation. Nordic Mining has a target of zero greenhouse gas emissions at Engebø and has initiated the development of a Climate Strategy Plan. The Group considers that there is minimal risk for stranded assets.

All goods produced by Nordic Mining is planned to be exported abroad, and our products are thus exposed to changes in international tariffs and introduction of new tariffs. According to our offtake agreements, our products are sold FoB (Free on Board) which means that it is our customers who will clear the goods through customs for the first five years of production.

Fair value of financial instruments

2024:

The carrying amounts on the balance sheet of cash and cash equivalents, receivables, payables to suppliers, and other short-term financial items are close to fair value due to the short time period until maturity.

For the bond loan issued in November 2022 it is assessed that the fair value at year-end was around 101% of the nominal value of USD 100 million, based on latest quoted market price (level 2 in the fair value hierarchy according to IFRS 13).

For the royalty liability drawn in November 2023, the Group has assessed that the fair value at year-end is above the nominal value of USD 50 million. This is based on reduced risk and uncertainty of both the production outlook for Engebø, as well as the overall marked outlook per 31 December 2024 compared to at the timing of the liability draw in November 2023. The reduced uncertainty and risk has led to a reduced discount rate, resulting in an incease of fair value. The fair value of the royalty liablity is estimated to be approximately USD 65.8 million (level 3 in the fair value hierarchy according to IFRS 13).

2023:

The carrying amounts on the balance sheet of cash and cash equivalents, Bond Escrow, receivables, payables to suppliers, and other short-term financial items are close to fair value due to the short time period until maturity.

For the bond loan issued in November 2022 it is assessed that the fair value at year-end was around 95% of the nominal value of USD 100 million, based on latest quoted market price (level 2 in the fair value hierarchy according to IFRS 13).

For the royalty liability drawn in November 2023 it is assessed that the fair value at year-end was the same as the nominal value of USD 50 million (level 3 in the fair value hierarchy according to IFRS 13).

Categories of financial instruments

Year ended 31 December 2024

(Amounts in NOK thousands)	Amortized cost	Fair value through profit or loss	Carrying amount
Financial assets by category			
Trade and financial receivables	959		959
Bond escrow	-		-
Restricted cash	12 645		12 645
Cash and cash equivalents	454 774		454 774
Total financial assets	**468 378**	**-**	**468 378**
Financial liabilities by category			
Accounts payable	44 394		44 394
Bond loan	1 043 609		1 043 609
Convertible loan	-	-	-
Royalty liability	599 798		599 798
Other current financial liabilities	131 155		131 155
Total financial liabilities	**1 818 956**	**-**	**1 818 956**

Year ended 31 December 2023

(Amounts in NOK thousands)	Amortized cost	Fair value through profit or loss	Carrying amount
Financial assets by category			
Trade and financial receivables	904		904
Bond escrow	1 075 042		1 075 042
Restricted cash	8 430		8 430
Cash and cash equivalents	634 984		634 984
Total financial assets	**1 719 360**	**-**	**1 719 360**
Financial liabilities by category			
Accounts payable	94 312		94 312
Bond loan	902 182		902 182
Convertible loan	-	-	-
Royalty liability	517 574		517 574
Other current financial liabilities	65 370		65 370
Total financial liabilities	**1 579 438**	**-**	**1 579 438**

Capital management

The Group has historically used equity financing to finance research, operations, purchase of licenses and other investments. In order to secure financing of the Engebø project, the Group issued a bond loan and a convertible loan in addition to divesting its investment in Keliber in 2022. In 2023 the Group issued equity and completed the draw down of the non-dilutive royalty financing. In March 2025 Engebø Rutile and Garnet AS completed a tap issue of USD 33 million under the existing USD bond. Nordic Mining's financing comprise of equity and Engebø Rutile and Garnet AS' financing comprises of equity, debt and royalty financing. When Engebø transition to normal operation and positive cash flow, the Company will consider how to manage capital and distribution of dividends. For more information on liquidity risk see Board of Directors' report, and for more information on the maturity of the bond loan debt see Note 12. The ratio of net debt (debt less cash) divided by total capital (net debt and equity) as of 31 December 2024 is 43% (2023: 31%).

NOTE 19 - INVESTMENTS IN SUBSIDIARIES

The table below provides an overview of Nordic Mining ASA's subsidiaries as at 31 December 2024:

(Amounts in NOK thousands)	Location	Year incorp.	Ownership
Engebø Rutile and Garnet AS	Oslo, Norway	2006	100 %
Nordic Titanium AS	Oslo, Norway	2011	100 %
Nordic Quartz AS	Oslo, Norway	2011	100 %

NOTE 20 - SHAREHOLDERS

The table below shows the Company's 20 largest shareholders as at 31 December 2024:

Shareholder	Number of shares	% ownership
Fjordavegen Holding AS	16 218 489	14.96 %
Iwatani Corporation	15 979 133	14.74 %
Morgan Stanley & Co. Int. Plc.	11 419 311	10.53 %
Nordnet Bank AB	2 788 128	2.57 %
Skandinaviska Enskilda Banken AB	2 267 503	2.09 %
Nordnet Livsforsikring AS	2 011 394	1.86 %
Clearstream Banking S.A.	1 900 562	1.75 %
The Bank of New York Mellon SA/NV	1 007 560	0.93 %
Pro AS	937 204	0.86 %
UBS AG	925 980	0.85 %
Stavanger Forvaltning AS	840 000	0.77 %
J.P. Morgan Securities LLC	674 330	0.62 %
Goldman Sachs International	674 323	0.62 %
Nordea Bank Abp	648 712	0.60 %
Citibank, N.A.	600 000	0.55 %
Danske Bank A/S	499 816	0.46 %
Joma Invest AS	400 000	0.37 %
Melum Mølle AS	350 000	0.32 %
O Drage AS	335 899	0.31 %
Fredrik Rosenberg	325 785	0.30 %
Total 20 largest shareholders	**60 804 129**	**56.09 %**
Other shareholders	47 607 404	43.91 %
Total	**108 411 533**	**100.00 %**

NOTE 21 - RELATED PARTIES AND COMPENSATION OF MANAGEMENT

Compensation to Board members and Senior Management in 2024

(Amounts in NOK thousands)	Salary incl. bonus	Board member fees	Other compensation	Pension costs	Total
Ivar S. Fossum, CEO	3 279	-	170	307	3 756
Jens Gisle Schnelle, former Interim CFO[1]	232	-	1	51	284
Tord Meling, CFO[2]	839	-	4	48	891
Kenneth N. Angedal, Managing Director Engebø Rutile and Garnet	2 009	-	9	97	2 115
Trond Langeng, Manager Resource and Development[3]	823	-	9	61	893
Maurice Kok, Commercial Director	1 362	-	11	106	1 479
Ole Klevan, Nomination Committee (Chair)	-	60	-	-	60
Brita Eilersen, Nomination committee	-	40	-	-	40
Torger Lien, Nomination committee	-	40	-	-	40
Kjell Roland, Chair of the Board	-	500	-	-	500
Kjell Sletsjøe, Deputy Chair of the Board	-	300	-	-	300
Eva Kaijser, Board member	-	300	-	-	300
Benedicte Nordang, Board member	-	300	-	-	300
Tom Lileng, Board member	-	300	-	-	300
Total	**8 544**	**1 840**	**205**	**669**	**11 259**

1. Jens Gisle Schnelle left the Company on 31 January 2024, and compensation shown in the table above is for the period up to this date. Consultancy fee for the period after 31 January 2024 paid to Exman AS, a company owned by Jens Gisle Schnelle, is NOK 2.4 million.
2. Tord Meling joined the Company 12 August 2024.
3. Trond Langeng joined the Company 11 March 2024.

Compensation to Board members and Senior Management in 2023

(Amounts in NOK thousands)	Salary	Board member fees	Other compensation	Pension costs	Total
Ivar S. Fossum, CEO	4 151	-	210	530	4 891
Jens Gisle Schnelle, Interim CFO[1]	414	-	3	-	417
Christian Gjerde, former CFO[2]	2 064	-	9	83	2 156
Kenneth N. Angedal, Managing Director Engebø Rutile and Garnet	2 168	-	16	91	2 275
Mona Schanche, former VP Resource and Sustainability[3]	1 397	-	7	178	1 583
Maurice Kok, Commercial Director	1 225	-	13	99	1 337
Terje Gundersen, former Project Director[4]	690	-	7	43	740
Ole Klevan, Nomination Committee (Chair)	-	60	-	-	60
Brita Eilersen, Nomination committee	-	40	-	-	40
Torger Lien, Nomination committee	-	40	-	-	40
Kjell Roland, Chair of the Board	-	500	-	-	500
Kjell Sletsjøe, Deputy Chair of the Board	-	300	-	-	300
Eva Kaijser, Board member	-	300	-	-	300
Benedicte Nordang, Board member	-	300	-	-	300
Antony Beckmand, former Board member	-	300	-	-	300
Total	**12 109**	**1 840**	**266**	**1 025**	**15 239**

1. Jens Gisle Schnelle joined the Company 15 October 2023.
2. Christian Gjerde left the Company 30 September 2023.
3. Mona Schanche left the Company on 30 June 2023.
4. Terje Gundersen left the management group on 2 June 2023, and compensation shown in the table above is for the period up to this date.

Senior Management is subject to termination periods of 3-6 months.

Guidelines for management remuneration
The main components of the guidelines for Senior Management salaries are as follows:

- The compensation package should reflect the responsibility and the tasks of the individual persons in Senior Management, and what the employee contributes towards the long-term creation of value in Nordic Mining.
- The Company will offer competitive conditions to attract relevant expertise for the development of the Company.
- The compensation package consists of fixed salary plus participation in an option program that has been approved by the annual meeting.
- Senior Management participates in pension and insurance plans.

These guidelines have been used to recruit Senior Management in Nordic Mining ASA and to establish salary levels.

Shares owned/controlled by members of the Board and senior management and those related to them as of 31 December 2024

Name	No of shares	% owned
Kjell Roland, Chair of the Board	29 523	0.03 %
Kjell Sletsjøe, Deputy Chair of the Board	17 750	0.02 %
Ivar S. Fossum, CEO	122 961	0.11 %
Kenneth N. Angedal, Managing Director Engebø Rutile and Garnet	22 291	0.02 %
Total	**192 525**	**0.18 %**

Shares owned/controlled by members of the Board and senior management and those related to them as of 31 December 2023

Name	No of shares	% owned
Kjell Roland, Chair of the Board	590 475	0.03 %
Kjell Sletsjøe, Deputy Chair of the Board	355 009	0.02 %
Ivar S. Fossum, CEO	2 459 230	0.11 %
Kenneth N. Angedal, Managing Director Engebø Rutile and Garnet	445 822	0.02 %
Total	**3 850 536**	**0.18 %**

NOTE 22 - PENSIONS

The Group has a defined benefit plan or a defined contribution plan (for new employees) for its employees in the parent company, Nordic Mining ASA and a defined contribution plan for its employees in Engebø Rutile and Garnet AS. The plans meet the Norwegian statutory requirements for pension plans for employees.

Defined Benefit Plan

The Group has one benefit plan for Norwegian employees with a total of 1 active member at year end 2024. The Group's defined benefit pension plan is a final salary plan and contributions are made to a separately administered fund. The level of benefits provided depends on the member's length of service and salary at retirement age. .

Pension cost

(Amounts in NOK thousands)	2024	2023
Pension cost - employee benefit	425	665
Pension cost - interest expense	12	43
Total pension related costs	**437**	**709**
Remeasurement gains/(losses) recorded to OCI	317	536

Movement in pension obligation during the year

(Amounts in NOK thousands)	2024	2023
Pension obligations January 1	14 009	17 404
Current value of pension benefits for the year	437	709
Interest costs	380	455
Payments	(372)	(371)
Remeasurement loss/ (gain)	(302)	(3 553)
Other	(37)	(635)
Pension obligations as of 31 December	**14 116**	**14 009**

Movement in pension funds during the year

(Amounts in NOK thousands)	2024	2023
Pension funds 1 January	13 790	15 593
Expected return on plan assets	335	388
Contributions	410	1 568
Payments	(372)	(371)
Other	49	(371)
Remeasurement (loss)/ gain	16	(3 017)
Pension funds as of 31 December	**14 228**	**13 790**

Pension liability is classified in the balance sheet as follows

(Amounts in NOK thousands)	2024	2023
Pension funds	14 228	13 790
Pension obligations	(14 116)	(14 009)
Net pension asset / (liabilities)	**111**	**(219)**
Pension asset/(liability) is shown in the balance sheet as		
Pension assets	111	-
Pension liabilities	-	(219)

Assumptions

	2024	2023
Discount interest rate	3.90 %	3.10 %
Annual projected increase in salary	4.00 %	3.50 %
Annual projected G- regulation	3.75 %	3.25 %
Annual projected regulation of pension	2.40 %	1.80 %

The major categories of plan assets as a percentage of the fair value of total plan assets

	2024	2023
Equities	13.40 %	13.00 %
Bonds	6.70 %	4.60 %
Money market	5.50 %	11.50 %
Hold to maturity bonds	59.10 %	49.80 %
Loans and receivables	3.90 %	10.40 %
Real estate	10.90 %	10.70 %
Other	0.50 %	0.00 %

NOTE 23 - LEASES

The Group's right-of-use assets recognized are related to the leasing of vehicles; see note 10. Short-term leases have been expensed as incurred; see note 5. The Group's office lease is cancellable with 4 months' notice with no more than an insignificant penalty and is as such considered a short-term lease.

Lease liability

(Amounts in NOK thousands)	2024	2023
Lease liability 1 January	771	116
Additions lease contracts	-	1 085
Accretion lease liability, included in finance cost	33	9
Payments of lease liability	(305)	(439)
Total lease liability 31 December	**499**	**771**

Specification of lease liability in the balance sheet

(Amounts in NOK thousands)	2024	2023
Current*	305	305
Non-current	194	466
Total lease liability 31 December	**499**	**771**

* Current lease liability is included in other current liabilities; see note 17.

Future minimum lease payments under non-cancellable lease agreements (undiscounted)

(Amounts in NOK thousands)	2024	2023
Within a year	305	898
From year 2-5	255	560
Total	**560**	**1 458**

NOTE 24 - PAYMENTS TO AND FROM GOVERNMENTAL INSTITUTIONS

In accordance with the Accounting Act, section 3-3d, the Group has assessed its relations with and payments to and from governmental institutions. The Group's governmental relations are only with institutions in Norway. All relations and payments are in the ordinary course of business and related to i.a. license payments, payment of prospectus/financial authority fees, R&D projects grants, etc.

Estimated total payment from the Group to various Norwegian governmental institutions was NOK 0.5 million in 2024 (2023: NOK 0.6 million). Estimated total payment to the Group from various Norwegian governmental institutions was NOK 0 million in 2024 (2023: NOK 0 million).

NOTE 25 - COMMITMENTS AND CONTINGENCIES

Conditional liability Engebø
The Group has a conditional liability to the seller of the mining rights in the Engebø area of NOK 40 million that will be paid if and when commercial operation commences at Engebø. No liability has been recognized as per 31 December 2024.

The Group has a contingent liability of NOK 40 million to Vestland County Municipality related to contribution to the County Road at Engebø that will be paid if and when the improvement work on the County Road commences. The payment schedule is further dependent on if and when certain amounts have incurred by the County Municipality for road improvements.

NOTE 26 - EVENTS AFTER BALANCE SHEET DATE

In January there was a minor fire discovered in one of the drying machines at the Engebø facility. No one was injured due to the incident, and the incident was handled according to procedures. The fire has not caused any significant delays in the production ramp-up phase and has not resulted in any impairment of the drying machine in 2025.

Ivar S. Fossum retired from his position as CEO of the company 1 March 2025. New CEO, Finn Ivar Marum, assumed the position 1 March 2025. This has previously been announced 28 June 2024 and 5 December 2024, respectively.

In March 2025, the existing bond loan was increased with USD 33 million, priced at 101.00% of par. ERG received an inquiry from investors to potentially tap the existing bond with USD 20-25 million. The company and the manager evaluated and considered the opportunity to strengthen the liquidity in ERG in order to carry out the production ramp-up in an optimal way and at the same time obtain a liquidity buffer in case of any unforeseen events. Following discussions the tap was upsized to USD 33 million due to interest from existing international holders of the existing bond.

In March 2025, EFTA made an advisory opinion in the case between the Norwegian environmental organizations and the Norwegian state concerning the notion of "overriding public interest" of the waste permit given to Engebø Rutile and Garnet AS. EFTA's advisory opinion states that purely economic grounds does not constitute an overriding public interest, but that securing supply of critical raw materials in the EEA area may in certain circumstances constitute an overriding public interest. The ruling is an advisory opinion and is not legally binding for the Group. The Group is not a party in the case, and we are confident that the permit we have gotten from the Norwegian state is valid. The appeal between the Norwegian environmental organizations and the Norwegian state will be heard by the Borgarting Court of Appeal (Borgarting lagmannsrett) in June 2025.

In April, the Group has appointed Andreas Davidsen as new Chief Commercial Officer (CCO), effective from 1 July 2025.

In Q1 2025, there has been unforeseen challenges with design issues in the pump circuits, as announced 30 March 2024 in a notice to the stock exchange market. The solutions put in place did not work as expected and our contractors are currenctly working on new, permanent solutions. This has resulted in a delay in the production and shipment plans affecting the estimated revenues for 2025. No adjustments to the financial statement for 2024 have been made. The estimated effect on the financial statements is approximately a NOK 20 million increase in financial income due to a reduction of the royalty liability.

Corporate accounts for Nordic Mining ASA

INCOME STATEMENT

(Amounts in NOK thousands)	Note	2024	2023
Revenues from Group companies	3	9 366	44 370
Payroll and related costs	3	(11 126)	(15 082)
Other operating expenses	4	(24 610)	(13 309)
Operating loss		**(26 370)**	**15 979**
Impairment of investment and loans to subsidiary	5	(640)	(620)
Financial income	6	34 928	36 598
Financial costs	6	(1 008)	(1 177)
Profit/(loss) before tax		**6 910**	**50 780**
Income Tax	7	-	-
Net profit/(loss)		**6 910**	**50 780**
Allocation of profit/(loss):			
Allocated to/(from) other equity		6 910	50 780

BALANCE SHEET

(Amounts in NOK thousands)	Note	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	10	2 150	2 150
Investment in subsidiaries	5	1 445 305	1 445 305
Long term receivables from group companies	8	518 067	487 220
Pension assets	3	111	-
Total non-current assets		**1 965 634**	**1 934 675**
Current assets			
Other receivables and prepayments	8	3 195	1 997
Cash and cash equivalents	9	92 870	112 817
Total current assets		**96 065**	**114 814**
Total assets		**2 061 698**	**2 049 489**

(Amounts in NOK thousands)	Note	2024	2023
SHAREHOLDERS' EQUITY & LIABILITIES			
Shareholders' equity			
Share capital	11	1 300 938	1 300 938
Share premium	11	276 410	277 928
Other paid-in capital	11	16 038	16 038
Other equity	11	456 992	449 765
Total equity		**2 050 378**	**2 044 670**
Non-current liabilities			
Net pension liabilities	3	-	219
Total non-current liabilities		**-**	**219**
Current liabilities			
Trade payable		4 439	1 092
Other current liabilities	12	6 881	3 508
Total current liabilities		**11 320**	**4 600**
Total liabilities		**11 320**	**4 819**
Total shareholders' equity and liabilities		**2 061 698**	**2 049 489**

Oslo, 24 April 2025
The Board of Directors of Nordic Mining ASA

Kjell Roland	Kjell Sletsjøe	Eva Kaijser	Benedicte Nordang	Tom Lileng	Finn Ivar Marum
Chair	*Deputy chair*	*Board member*	*Board member*	*Board member*	*CEO*

CASH FLOW STATEMENT

(Amounts in NOK thousands)	Note	2024	2023
Operating activities			
Profit/(loss) before income tax		6 910	50 780
Impairment of investment and loans to subsidiary	5	640	620
Transaction costs, share issue subsidiary		-	(34 796)
Non-cash financial items		(30 854)	(33 232)
Changes in assets and liabilities			
Receivables, operating receivables from/(to) subsidiaries, prepayments	8	(1 198)	1 591
Trade payables		3 347	(394)
Accrued expenses and other current liabilities	12	3 373	1 856
Difference between pension expense and payment		(14)	(1 056)
Net cash used in operating activites		**(17 796)**	**(14 631)**
Investing activities			
Investment in property, plant and equipment	10	-	(2 150)
Loans to subsidiaries	8	(640)	(1 018 643)
Transaction costs, share issue subsidiary		-	34 796
Net cash from/(used) in investing activities		**(640)**	**(985 997)**

(Amounts in NOK thousands)	Note	2024	2023
Financing activities			
Share issuance	11	-	1 021 926
Transaction costs, share issue	11	(1 518)	(41 501)
Net cash from financing activities		**(1 518)**	**980 425**
Net change in cash and cash equivalents		(19 954)	(20 203)
Cash and cash equivalents at beginning of period	9	112 817	132 320
Effect of exchange rate fluctuation on cash held		7	700
Cash and cash equivalents at end of period	**9**	**92 870**	**112 817**
Non-cash transactions			
Conversion of debt to equity in subsidiaries		-	943 113

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – GENERAL INFORMATION

Nordic Mining ASA ("the Company") and its subsidiaries (together "the Group") is engaged in the exploration for and development of projects for high-end industrial minerals and metals. The address of Nordic Mining's office is Munkedamsveien 45, N-0250 Oslo, Norway.

These financial statements were approved for issue by the Board of Directors on 24 April 2025.

NOTE 2 – SUMMARY OF THE MOST IMPORTANT ACCOUNTING PRINCIPLES

The most important accounting principles that have been used in developing the Company accounts are described below. These principles have been consistently applied unless otherwise stated.

Basic principles
The Company accounts have been presented in accordance with the Norwegian accounting act and generally accepted accounting principles in Norway. The related notes are an integral part of the financial statements of the Company.
The annual accounts are based on the going concern assumption.

Investment in subsidiaries
Subsidiaries are companies controlled by the Company. Subsidiaries are measured at cost in the statutory accounts. The investments are measured at acquisition cost, unless impairment has been necessary. Such assets are deemed to be impaired at fair value when a decrease in value cannot be considered to be of temporary nature. Impairments are reversed when the basis for the impairment no longer applies.

The Company has performed an impairment test due to indicators of impairment being present at year end 2024 for the value of the investment in the subsidiary Engebø Rutile and Garnet AS. Indicators considered are delays in production and shipment volumes compared to original plans, resulting in a reduction of expected revenue generated from ERG in 2025. In addition, there has been an overall reduction in rutile prices from 2025 and onwards compared to previous price estimates, which affects the market outlook.

All impairment assessments require a high degree of estimation, including assessments of expected future cash flows from the mine and the estimation of applicable discount rates. Impairment testing requires long-term assumptions to be made concerning economic factors such as future production levels, market conditions, production expense, discount rates and political risk among others, in order to establish relevant future cash flow estimates. There is a high degree of reasoned judgment involved in establishing these assumptions. In our assessment of future cash flows, we have made assumptions on future production levels, marked conditions and prices, and production expenses. Future production levels are based on our internal financial model for the first five years and the UDFS for the remaining years of the mine. Market conditions and prices are based on offtake agreements for the first five years, and estimated market prices are based on an external marked expert, TZMI, for the remaining years of the mine. Production expenses are based on our internal financial model for the first five years and the UDFS for the remaining years of the mine.

The required return on equity is estimated using the Capital Asset Pricing Model (CAPM) and the Weighted Average Cost of Capital (WACC) to determine the required rate of return. The WACC calculation is sensitive to its input factors. The 10-year US government bond loan rate per 31 December 2024 is used as the risk free rate. The beta estimate is based upon industry levered beta and the market risk premium is the country risk. The debt interest is the weighted average of the IRR on the bond loan and the royalty loan. The WACC used is 16.5%. The impairment test if performed by comparing the equity value of ERG to the carrying amount of the investment in ERG. No impairment was recognized as a result of the impairment test.

Transactions in foreign currency
Transactions in foreign currencies are initially recorded in the functional currency rate at the date of the transaction. Monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Receivables
The Company's receivables are mainly receivables from group companies. Receivables are recognized initially at cost, and subsequently measured at amortized cost using the effective interest method if the amortization effect is material, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company may not be able to collect all amounts due according to the original terms of receivables.

Cash and cash equivalents
Cash and cash equivalents consist of cash, bank deposits and other short term, easily convertible investments with maximum three months original maturity.

Loans
All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue cost associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method; any difference between proceeds (net of transaction cost) and the redemption value is recognized on the income statement over the period of the interest-bearing liabilities.

Trade payables
Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, if the amortization effect is material.

Deferred tax
Income tax expense represents the sum of the taxes currently payable and deferred tax. Taxes payable are provided based on taxable profits at the current tax rate. Deferred taxes are recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred income tax is not recognized on temporary differences arising from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Revenue recognition
The primary revenue comes from sale of services to Group companies. Revenues are recognized in the accounting period in which the services are provided.

Pensions
The Company has a defined benefit pension plan and a defined contribution plan for its employees that meet the Norwegian statutory requirement. For the defined benefit plan, the cost of providing the benefits is determined using the unit credit method, with actual valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in equity in the period in which they occur. Past service costs are recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. For the defined contribution plan the cost is expensed as incurred.

Cash flow statement
The Company reports the cash flow statement using the indirect method. The method involves adjusting the result for the period for the effects of transactions without effect on cash and changes in assets and liabilities to show net cash flow from operations. Cash flow relating to investment activities and financing activities are shown separately.

Related parties
All transactions, agreements and business activities with related parties are processed on standard arm's length business terms. Parties are related if they have the possibility to directly or indirectly control the business or provide significant influence over the financial and operational decision of the business. The parties are also related if they are subject to "common control". The Company provides information in notes about transactions and balances with related parties.

NOTE 3 - SALARIES, RELATED PARTY AND MANAGEMENT COMPENSATION, AND PENSIONS

(Amounts in NOK thousands)	**2024**	**2023**
Wages and salaries	6 988	10 160
Social security costs	1 500	2 173
Pension costs defined benefit plan	391	512
Pension costs defined contritbution plan	266	182
Board members, etc	1 840	1 840
Other personnel costs	141	215
Total	**11 126**	**15 082**
Average number of full time employees	3.2	3.5

Reference is made to Note 4, 21 and 22 in the consolidated financial statements for information regarding salaries, related party and Senior Management, pensions etc.

The disclosure in Note 22 – Pensions regarding the defined benefit plan - relates in its entirety to Nordic Mining ASA as the subsidiaries only have defined contribution plans.

Revenues from group companies of NOK 9.4 million in 2024 (2023: NOK 44.4 million) consist of sale of services to group companies.

NOTE 4 – OTHER OPERATING EXPENSES

(Amounts in NOK thousands)	**2024**	**2023**
Leasing costs	2 253	2 283
Consulting and legal fees	7 229	3 416
Other costs	15 128	7 610
Total	**24 610**	**13 309**

Auditor fees

(Amounts in NOK thousands)	**2024**	**2023**
Statutory audit	1 190	1 344
Other attestation services	-	444
Total	**1 190**	**1 788**

The amounts exclude VAT.

NOTE 5 - INVESTMENTS IN SUBSIDIARIES

Nordic Mining ASA's investment in subsidiaries as at 31 December 2024 is shown in the following table:

(Amounts in NOK thousands)	**Location**	**Year incorp.**	**Share capital**	**Owner-ship**	**Equity 31.12.24**	**Net loss 2024**	**Carrying amount 31.12.24**
Engebø Rutile and Garnet AS	Oslo, Norway	2006	26 078	100 %	923 579	(91 158)	1 445 305
Nordic Titanium AS	Oslo, Norway	2011	125	100 %	54	(101)	-
Nordic Quartz AS	Oslo, Norway	2011	130	100 %	(43)	(393)	-
Total							**1 445 305**

Impairment
Management have performed an impairment test of the investment in the subsidiary Engebø Rutile and Garnet AS. The recoverable amount was determined to be the equity value of ERG. No impairment charge was recognized as a result of the impairment test. The equity value calculation is highly sensitive to the assumptions made on expected revenue, WACC and timing of the ramp up, as changes in these factors could result in an impairment. The test used assumptions as mentioned in note 2.

The Company has invested a total of NOK 640 thousand in the subsidiaries Nordic Quartz AS and Nordic Titanium AS during 2024. The amount has been written off at year end 2024 based on an evaluation of the underlying values in the subsidiaries.

NOTE 6 – FINANCIAL INCOME AND FINANCIAL COSTS

(Amounts in NOK thousands)	**2024**	**2023**
Interest income on bank deposits	4 069	3 363
Interest from Group companies	30 847	32 531
Foreign exchange gains	12	704
Finance income	**34 928**	**36 598**
Interest expense convertible loan	-	1 141
Foreign exchange losses	62	20
Other finance costs	946	16
Finance costs	**1 008**	**1 177**

NOTE 7 - TAXES

The Company has incurred tax loss carry forwards of NOK 242.8 million as per 31 December 2024. At this stage, the Company cannot substantiate that there will be sufficient future income to be able to realise the Company's unused tax losses, and thus the Company has not recognized any deferred tax asset as per 31 December 2024. There is no time limitation for utilization of tax losses carried forward in Norway.

Income taxes for the year

(Amounts in thousands)	**2024**	**2023**
Taxes payable	-	-
Deferred tax	-	-
Income tax expense/(income)	**-**	**-**

Tax impact of temporary differences as of 31 December

(Amounts in thousands)	**2024**	**2023**
Property, plant & equipment	2 300	2 296
Pensions	(25)	48
Tax loss carryforwards	53 427	54 772
Net deferred tax assets	**55 702**	**57 116**
Nominal tax rate (used to measure deferred tax items)	22 %	22 %
Recognized in the balance sheet:		
Deferred tax asset	-	-
Deferred tax liability	-	-

The Company recognized NOK 1.5 million in gross transaction costs in 2024 recorded directly in equity (in 2023: NOK 41.5 million) which is included in tax loss carry forwards.

The following table shows the reconciliation of expected tax using the nominal tax rate to the actual tax expense/(income):

(Amounts in thousands)	**2024**	**2023**
Net profit/(loss) before tax	6 910	50 780
Nominal tax rate	22 %	22 %
Expected tax expense/(income)	1 520	11 172
Non-deductible costs	17	13
Impairment of investment and loans to subsidary	141	136
Change in non-recognized tax assets on current year result	(1 678)	(11 321)
Tax expense/(income)	**0**	**0**

NOTE 8 - OTHER RECEIVABLES, PREPAYMENTS AND LOANS TO RELATED PARTIES

Other receivables and prepayments

(Amounts in NOK thousands)	2024	2023
Accounts receivable	144	332
Other financial receivables	900	904
VAT receivable	404	-
Prepayments	1 747	761
Totalt	**3 195**	**1 997**

Specification of intercompany loans/receivables

(Amounts in NOK thousands)	2024	2023
Engebø Rutile and Garnet AS, loan	518 067	487 220
Engebø Rutile and Garnet AS, accounts receivable	144	332
Nordic Quartz AS	-	-
Nordic Titanium AS	-	-
Nordic Ocean Resources AS		
Total	**518 211**	**487 552**
Classified as current liabilities	-	-
Classified as long-term receivables	518 067	487 220
Classified as current receivables	144	332

In 2024, a total of NOK 0.6 million in loans to and investments in Nordic Quartz AS and Nordic Titanium AS were impaired.

The average interest rate on the intercompany loans is 6.3% pa.

NOTE 9 - CASH AND CASH EQUIVALENTS

(Amounts in NOK thousands)	2024	2023
Bank deposits	92 870	112 817
Total cash and cash equivalents	**92 870**	**112 817**
Included in cash and cash equivalent - Employee witholding tax	408	407

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

(Amounts in NOK thousands)	2024	2023
Cost		
1 January	2 150	-
Additions*	-	2 150
Disposals	-	-
31 December	**2 150**	**2 150**

* Additions in 2023 is land. Land is not depreciated.

NOTE 11 - SHARE CAPITAL AND CHANGES IN EQUITY

Number of shares outstanding	Ordinary Shares
2023	
Opening balance	232 316 772
Share issuance	1 935 913 883
31 December 2023	**2 168 230 655**
2024	
Opening balance	2 168 230 655
Reverse split 20:1	(2 059 819 122)
31 December 2024	**108 411 533**

Reference is made to Note 14 in the consolidated financial statements for information regarding share issues. Reference is made to Note 20 for information regarding the 20 largest shareholders in Nordic Mining ASA as per 31 December 2024.

All shares have equal rights. Nominal value was NOK 12 per share at 31 December 2024.

Changes in equity

(Amounts in NOK thousands)	Share capital	Share premium	Other paid-in equity	Other equity	Total
Equity at 1 January 2023	**139 390**	**319 430**	**16 038**	**398 449**	**873 307**
Share issue	1 161 548		-	-	1 161 548
Transaction costs on share issue	-	(41 501)	-	-	(41 501)
Reduction of share premium to cover loss	-	-	-	-	-
Actuarial gains/losses (-) on pensions	-	-	-	536	536
Profit for the period	-	-	-	50 780	50 780
Equity at 31 December 2023	**1 300 938**	**277 929**	**16 038**	**449 765**	**2 044 670**
Share issue	-		-	-	-
Transaction costs on share issue	-	(1 518)	-	-	(1 518)
Actuarial gains/losses (-) on pensions	-	-	-	317	317
Profit for the period	-	-	-	6 910	6 910
Equity at 31 December 2024	**1 300 938**	**276 410**	**16 038**	**456 991**	**2 050 378**

NOTE 12 - OTHER CURENT LIABILITIES

The following table specifies amounts included in other current liabilities at 31 December:

(Amounts in NOK thousands)	2024	2023
Tax withholding and social security accrual	766	756
Employee salary and holiday pay accrual	736	889
VAT payable	-	241
Accrued expenses and other current liabilities	5 377	1 621
Total	**6 880**	**3 508**

NOTE 13 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Management of financial risk
Nordic Mining is exposed to various types of financial risk related to its financial instruments, market risk primarily related to currency risk related to bank deposits in foreign currency and floating interest rate on cash and cash equivalents, and liquidity risk.

Liquidity risk
Liquidity risk is the risk that the Company is not able to pay its financial obligations upon maturity. The Company has historically to a large degree used equity financing to meet liquidity demands related to financial obligations, cover operational losses and for investments.

For a more complete description of Nordic Mining Group's liquidity risk, reference is made to Note 18 in the consolidated financial statements and the Board of Directors' report.

Market risk
Variable interest risk
The Company is exposed to cash flow risk related to receivables from subsidiaries that has a fixed interest rate. Furthermore, the Company has exposure to the floating interest risk related cash or cash equivalent deposits.

Currency exchange risk
As per 31 December 2024, the Company has limited exposure to currency exchange risk. Cash holdings are placed in bank accounts in Norwegian Kroner (NOK), United States Dollars (USD) and Euro (EUR).

Credit risk
The Company does not have receivables from sales (receivables are primarily from companies within the Group). The Company has no or limited credit risk from external parties, but is exposed to credit risk through its loans to its subsidiary Engebø Rutile and Garnet AS.

Sensitivity analysis
The Company's result and equity is only to a limited extent exposed to changes in interest rate (bank deposit) and currency exchange rates.

NOTE 14 - EVENTS AFTER BALANCE SHEET DATE

Ivar S. Fossum retired from his position as CEO of the company 1 March 2025. New CEO, Finn Ivar Marum, assumed the position 1 March 2025. This has previously been announced 28 June 2024 and 5 December 2024, respectively.

For information on Group level, please see note 26 in the consolidated financial statements.

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that the consolidated financial statements for 2024 have been prepared in accordance with IFRS as adopted by the European Union, as well as additional information requirements in accordance with the Norwegian Accounting Act. We confirm that the financial statements for the parent company for 2024 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and result of Nordic Mining ASA and the Nordic Mining Group for the period.

We also confirm to the best of our knowledge that the Board of Directors' Report includes a true and fair review of the development, performance and financial position of Nordic Mining ASA and the Nordic Mining Group, together with a description of the principal risks and uncertainties that they face.

Oslo, 24 April 2025
The Board of Directors of Nordic Mining ASA

Kjell Roland Chair	Kjell Sletsjøe Deputy Chair
Benedicte Nordang Board member	Eva Kaijser Board member
Tom Lileng Board member	Finn Ivar Marum CEO

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Medlemmer av Den norske Revisorforening

To the General Meeting in Nordic Mining ASA

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Nordic Mining ASA (the Company) which comprise:

- The financial statements of the Company, which comprise the balance sheet as at 31 December 2024 and the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the Group, which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the board of directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 19 years from the election by the general meeting of the shareholders on 23 February 2006 for the accounting year 2006.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for costs related to mine under construction

Basis for the key audit matter
Nordic Mining ASA ("The Group") has during the year continued the construction work for the Engebø Project. The Group capitalized costs amounting to NOK 1 227.3 million as mine under construction and NOK 96.5 million as property, plant and equipment during the year.

Only directly attributable costs, including related borrowing costs, are to be capitalized. Due to the materiality of the amount and the judgement applied in determining capitalization versus expensing of cost incurred, we considered the capitalization as a key audit matter.

Our audit response
Our audit response included an assessment whether the costs meet the criteria for capitalization, evaluating the assumptions and methodologies used by management.

Further we had discussions with management, and we performed detailed testing of capitalized external and internal costs against supporting documentation including external invoices, interest calculations and allocation of payroll expenses for a sample of costs to assess that the criteria for capitalization was met.

We refer to note 9 and 10 in the consolidated financial statements.

Accounting for royalty financing agreement

Basis for the key audit matter
The Group has a royalty financing agreement with Orion Resource Partners which include annual royalty payments of 11% of the gross revenue from the sale of products from the Engebø Rutile and Garnet Project with an upper limit of 90 years. The Group has the option to reduce the royalty rate from 11% to 5.5% on certain conditions in 2028 or 2029.

As described in note 15, the royalty financing agreement is accounted for as a financial liability at amortized cost. When calculating effective interest management has applied estimates primarily related to future production plans and mineral prices over the lifetime of the royalty agreement. The Group's operational performance and external factors have a significant impact on the estimated future cash flows and therefore, the accounting for the royalty

Our audit response
Our audit response included, among others, consideration of methods and models used in the calculation of the expected future royalty payments, testing the model for clerical accuracy and corroborating obtained audit evidence from different sources. In addition, we compared expected production of minerals to approved budgets and forecasts.

To test price assumptions, we evaluated management's methodology to determine future commodity prices and compared such assumptions to external reports produced by a management appointed specialist for which we evaluated the competence, capabilities, and objectivity.

We refer to note 2 and 15 in the consolidated financial statements.

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financing agreement. Auditing management's estimate of the royalty is complex and involves a high degree of judgement.

We consider the royalty financing agreement to be a key audit matter given the significance, complexity and uncertainty of the estimates and assumptions used by management in the cash flow model.

Other information

The Board of Directors and Chief Executive Officer (management) are responsible for the information in the Board of Directors' report and the other information presented with the financial statements. The other information comprises information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report and the other information presented with the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors' report applies correspondingly for the statement on Corporate Governance.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Penneo Dokumentnøkkel: JRM2Q-QKIDV-R335Q-UG35L-LNG4V-LBKHL

Independent auditor's report - Nordic Mining ASA 2024

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Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Nordic Mining ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 5967007LIEEXZXFVKO54-2024-12-31-0-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (the ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 24 April 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant (Norway)

FINANCIAL CALENDAR 2025

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Photos:
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ARTICLES OF ASSOCIATION

for Nordic Mining ASA per 11 March 2024

1. The name of the company is Nordic Mining ASA. The company is a public limited liability company.

2. The registered office of the company is in Oslo.

3. The object of the company is to carry out exploration for minerals and ores, mining activity, technology development, activities that may be associated herewith, and participation in other companies anywhere in the world.

4. The share capital of the company amounts to NOK 1,300,938,396 divided on 108,411,533 shares of a nominal value of NOK 12. The shares of the company shall be registered in the Norwegian Registry of Securities.

5. The board of directors of the company shall have from 3 to 8 members according to the decision of the shareholders' meeting. Two board members can jointly sign on behalf of the company.

6. The company shall have an election committee consisting of three members who shall be elected by the general meeting. The members of the election committee shall, when they are elected, be shareholders or representatives of shareholders of the company. The election committee shall make recommendations to the general meeting concerning the election of members and deputy members to the board of directors. The election committee shall also make recommendations concerning remuneration to such members. Members of the election committee are elected for a period of two years. The members of the board of directors which have been elected by the general meeting make recommendations for and adopt instructions for the election committee.

7. The shareholders' meeting shall deal with:
(i) Adoption of the annual accounts and annual report, including payment of dividends.
(ii) Other matters that pursuant to law are the business of the shareholders' meeting.

8. If a document that relates to an issue that the general meeting shall decide on is made available to the company's shareholders on the company's website, then such a document does not have to be physically sent to the shareholders of the company. However, such a document shall be sent to the shareholder free of charge if shareholders request it.

9. Shareholders that plan to attend a general meeting have to give notice to the company within 2 days of the general meeting.Shareholders who have not given such notice within 2 days of the general meeting may be denied entrance to the general meeting.

10. The board of directors may determine that the shareholders may cast advance votes in writing in matters to be considered by the general meetings of the company. Such votes may also be cast through electronic means. Voting in writing requires an adequately secure method to authenticate the sender. The board of directors may determine further guidelines for written advance voting. The summons to the general meeting shall state whether advance voting is allowed prior to the general meeting, and, if so, the guidelines for such voting.

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