

INTERIM REPORT

Per 30 September 2025



MINERALS FOR A SUSTAINABLE FUTURE

SAFETY | ENVIRONMENT | INNOVATION

Engerbø Rutile and Garnet AS ("Engerbø Rutile and Garnet" or the "Company") is a wholly owned subsidiary of Nordic Mining ASA. The Company is undertaking a large-scale industrial development at Engerbø on the west coast of Norway where the Company has mining rights and permits to a substantial eclogite deposit with rutile and garnet.

Nordic Mining ASA is listed on Oslo Stock Exchange.

Engebø Rutile and Garnet interim report for the quarter ended 30 September 2025

The Engebø deposit has among the highest grades of rutile (TiO₂) compared to existing producers and other projects under development. The deposit also contains significant quantities of high-quality garnet. The Engebø life of mine is 39 years, comprising 15 years of open pit mining followed by 24 years of underground mining. Favourable location, topography and local hydropower enables efficient and climate friendly production of high-quality natural rutile and garnet.

Main events

- The Company recorded one Lost Time Injury (LTI) related to production at Engebø Plant in the third quarter.
- The production ramp-up plan for the third quarter is behind schedule due to challenges in achieving the necessary uptime to proceed as planned. A total of 3,800 tonnes of garnet were produced in the third quarter.
- The Company reported NOK 1.0 million from sale of garnet. Reported operating loss for the third quarter was NOK -117.2 million.
- In October, the Company appeared in court in a case against several NGOs concerning a temporary injunction, with the verdict expected on or about November 10th.
- At quarter-end, the Company held NOK 212.6 million in cash. In October, a tap issuance on the existing bond facility was successfully executed, generating an additional USD 22.5 million in proceeds. Based on the current production ramp-up plan, the Company's liquidity position is considered sufficient to fund operations until the business reaches positive cash flow.
- The company has reviewed the operational and technical aspects to create a new path forward towards our aim of having the first rutile cargo ready for shipment in 1Q26 and our amended goal of reaching design capacity late in 2Q26.

The commissioning and ramp-up of a new mine and processing plant is a lengthy process with a series of continuous challenges. However, the company has expertise on site from customers Iwatani and Barton as well as technical support from our financing partner Orion Resource Partners. Together with Nordic Mining's own managers and plant operators, the company is on track sorting out the different technical and operational issues.

Going forward, we will begin to publish quarterly production data within the first five business days after the quarter ends.

Engerbø project development

- The throughput in the majority of the plant has increased in the third quarter, but with low production levels of end products. In total 3,800 tonnes of garnet was produced in the third quarter.
- Plant throughput achieved in third quarter;
 - 95 % design load achieved in crushing circuit
 - 100 % design load on primary mill and into wet plant
 - 50 % design load achieved in dry separation plant
- During the quarter, the processing plant experienced reduced uptime. In the third quarter, most challenges shifted to downstream operations, while wear on components operating at high capacity increased. This situation necessitated the replacement of certain parts and resulted in downtime; however, ongoing efforts in asset management optimization are expected to address these issues.
- Operational time in dry plant is low due to equipment failures on materials handling equipment, and we are working with OEMs and EPCs to rectify items to progress ramp-up.
- Mineral production concentrates meet expected quality, but production is still low.
- Mining operation is well positioned opening the pit through removal of waste rock. 550,000 tons of rock was mined in the quarter, and a total of 1.65 million tons year to date. Mining operation is ahead of the ore mining plan and going forward we will see a reduced prioritization on waste rock movement and adjusted activity and fleet size in the plan for 2026.
- We now have expertise on-site from customers Iwatani and Barton as well as technical support from our financing partner Orion Resource Partners. All of them have a vested interest in our success and are working alongside us with operational and technical improvements of our processing plant, with a focus on achieving operational time to enable balancing of the plant and increase volumes.

Market development

- The titanium dioxide prices weakened in the third quarter across most regions compared to first half of the year.
- The demand for titanium sponge remains strong while the pigment segment continues to be soft, and we expect the market to be flat in the next quarter.
- There is limited trade of natural rutile in the market and the prices are flat from 2024, and expectations are that there will be limited new supply of rutile, some mines closures and continued demand growth, resulting in increasing prices.
- The garnet abrasive market remains relatively tight in Europe and North America. Nordic Mining has fixed prices for the first five years

Financial performance in the third quarter 2025¹⁾

The Engebø Project is currently in production ramp-up and in the third quarter the Company had NOK 1.0 million in operating revenue (NOK 0.0 million), and NOK 3.6 million Year to date 2025 (NOK 0.0 million). Reported operating loss for the third quarter was NOK -117.2 million (NOK -9.9 million), and NOK -278.7 million Year to date 2025 (NOK -13.8 million).

Net financial items were NOK -24.6 million in the third quarter (NOK 23.9 million) and Year to date 2025 NOK 79.7 million (NOK 4.1 million). The main financial items in the third quarter were net gain on foreign exchange related to the bond loan and royalty liability of NOK 21.3 million, other foreign exchange loss of NOK -1.4 million, interest on cash held of NOK 2.8 million, change in estimate of royalty liability of NOK 28.2 million, interest cost on bond loan of NOK -39.1 million and amortized cost of royalty liability of NOK -27.8 million. Please see note 7 for further information. Borrowing costs on the bond loan and the royalty liability have been capitalized under *Mine under construction* until commencement of production in Q1 2025, in total NOK 24.1 million for 2025.

Reported net loss in the third quarter was NOK -141.8 million (NOK 14.0 million) and reported net loss Year to date 2025 was NOK -198.9 million (NOK -9.7 million).

Net cash flow from operating activities Year to date 2025 was NOK -180.8 million (NOK -54.5 million). Net cash flow from the Company's investment activities related to *Investment in mine under construction* Year to date 2025 was NOK -84.0 million (NOK -947.7 million) and *Investment in producing mine, property, plant and equipment and intangible assets* Year to date 2025 was NOK 78.6 million (NOK -70.7 million). Interest on the bond loan Year to date 2025 of USD 12.2 million, corresponding to NOK 121.5 million, is included in interest and financing fees paid (per Q3 2024: NOK 101.5 million). Please see note 5 for further information related to the bond loan.

The Company's cash and cash equivalents as of 30 September 2025 were NOK 212.6 million (Second quarter 2025: NOK 348.7 million). In addition, the Company had NOK 16.9 million in a restricted account pledged toward Directorate of Mining ("DirMin") for clean-up measures in accordance with the operating license and NOK 2 million in a restricted account pledged towards the Norwegian Environment Agency.

Engerbø Rutile and Garnet's total assets as of 30 September 2025 were NOK 3.3 billion (30 June 2025: NOK 3.4 billion), and total equity was NOK 725.6 million (30 June 2025: NOK 867.1 million).

For further information relating to the Company's risk assessments, reference is made to the annual report for 2024 which is available on the Company's webpage www.nordicmining.com.

Oslo, 30 October 2025

The Board of Directors of Engebø Rutile and Garnet AS

¹⁾ Unless other information is given, numbers in brackets for comparison relate to the corresponding period in 2024.

INCOME STATEMENT

		2025	2024	2025	2024	2024
		01.07-30.09	01.07-30.09	01.01-30.09	01.01-30.09	01.01-31.12
<i>(Amounts in NOK thousands)</i>	Note	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue		954	-	3 624	-	-
Payroll and related costs		(5 414)	0	(13 753)	0	-
Depreciation and amortization		(27 722)	(642)	(76 134)	(955)	(2 365)
Production expenses		(70 066)	-	(153 158)	-	-
Other operating expenses		(14 967)	(9 243)	(39 238)	(12 845)	(25 340)
Operating profit/(loss)		(117 215)	(9 885)	(278 659)	(13 801)	(27 705)
Net exchange rate gain/loss (-)	7	19 974	20 171	205 527	(7 259)	(127 056)
Financial income	7	30 957	4 121	81 630	13 373	65 737
Financial costs	7	(75 525)	(409)	(207 437)	(2 023)	(2 134)
Profit/(loss) before tax		(141 809)	13 997	(198 939)	(9 710)	(91 158)
Income tax		-	-	-	-	-
Profit/(loss) for the period		(141 809)	13 997	(198 939)	(9 710)	(91 158)

STATEMENT OF FINANCIAL POSITION

		30.09.2025	31.12.2024
(Amounts in NOK thousands)	Note	Unaudited	Audited
ASSETS			
Non-current assets			
Mine under construction	2	-	2 770 630
Producing Mine	3	547 198	-
Property, plant and equipment	3	2 382 748	95 021
Intangible assets	3	21 507	-
Total non-current assets		2 951 453	2 865 651
Current assets			
Trade and other receivables		40 377	25 065
Spare parts and inventory	4	48 862	10 011
Restricted cash		18 860	12 645
Cash and cash equivalents		212 588	361 737
Total current assets		320 687	409 458
Total assets		3 272 139	3 275 108
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		26 078	26 078
Share premium		897 502	897 502
Other paid-in capital		951	-
Retained earnings/(losses)		(198 939)	-
Total equity		725 591	923 579
Non-current liabilities			
Bond loan	5	1 254 409	1 043 609
Royalty liability	6	552 088	599 798
Liability to parent company		543 702	518 048
Other non-current liabilities		8 669	-
Total non-current liabilities		2 358 869	2 161 455
Current liabilities			
Trade payables		61 043	40 098
Other current liabilities		126 637	149 976
Total current liabilities		187 679	190 074
Total liabilities		2 546 548	2 351 529
Total shareholders' equity and liabilities		3 272 139	3 275 108

STATEMENT OF CHANGES IN EQUITY

Unaudited

<i>(Amounts in NOK thousands)</i>	Note	Share capital	Share premium	Other paid-in capital	Accumulated losses	Total equity
Equity 1 January 2025		26 078	897 502	-	-	923 579
Profit/(loss) for the period		-	-	-	(198 939)	(198 939)
Share-based compensation		-	-	951	-	951
Equity 30 September 2025		26 078	897 502	951	(198 939)	725 591

CONDENSED CASH FLOW STATEMENT

		2025 01.01-30.09 Unaudited	2024 01.01-30.09 Unaudited
<i>(Amounts in NOK thousands)</i>	Note		
Operating activities:			
Net cash from/used (-) in operating activities		(180 760)	(54 520)
Investing activities:			
Investment in mine under construction		(83 954)	(947 732)
Investment in producing mine, property, plant and equipment and intangible assets		(78 612)	(70 659)
Net cash used in investing activities		(162 566)	(1 018 391)
Financing activities:			
Net proceeds from borrowings, tap issue bonds		349 000	-
Transfer from Bond Escrow		-	1 152 427
Interest paid		(121 507)	(101 520)
Net proceeds from borrowings from parent company		279	-
Net cash from financing activities		227 772	1 050 908
Net change in cash and cash equivalents		(115 555)	(22 003)
Cash and cash equivalents at beginning of period		361 737	522 164
Effect of exchange rate fluctuation on cash held		(33 594)	(10 332)
Cash and cash equivalents at end of period		212 588	489 829
Net change in restricted cash		6 215	4 215
Restricted cash at beginning of period		12 645	8 430
Restricted cash at end of period		18 860	12 645
Restricted and unrestricted cash at end of period		231 448	502 474

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 September 2025 – ENGEBO RUTILE AND GARNET AS

Note 1 – ACCOUNTING PRINCIPLES

These interim financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. They do not include all the information required for full annual financial reporting and should be read in conjunction with the annual financial statements of Engebø Rutile and Garnet AS for the year ended 31 December 2024.

This report was authorized for issue by the Board of Directors on 30 October 2025.

The accounting policies adopted are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024.

Note 2 – MINE UNDER CONSTRUCTION

The construction phase of the Engebø project has been completed and all significant parts of the mine and processing plant have been installed and commissioned at site. The mine was in production in Q1 2025, and the carrying amount on the balance sheet of Mine under construction was reclassified to Producing mine, Property, plant and equipment and Intangible assets in Q1 2025.

Note 3 – PRODUCING MINE, PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(Amounts in NOK thousands)	Mine under construction	Producing Mine	Property, plant and equipment	Intangible assets	Total
Cost					
1 January 2025	2 770 630	-	97 478	-	2 868 108
Additions	57 801	62 705	39 242	2 188	161 936
Disposals	-	-	-	-	-
Reclassifications	(2 828 431)	485 818	2 322 316	20 297	(0)
30 September 2025	-	548 523	2 459 035	22 485	3 030 044
Depreciation					
1 January 2025	-	-	(2 457)	-	(2 457)
Depreciation expense	-	(1 325)	(73 831)	(979)	(76 134)
Disposals	-	-	-	-	-
Reclassifications	-	-	-	-	-
30 September 2025	-	(1 325)	(76 287)	(979)	(78 591)
Net book value:					
30 September 2025	-	547 198	2 382 748	21 507	2 951 453
1 January 2025	2 770 630	-	95 021	-	2 865 651

The mine was in production in Q1 2025, and the carrying amount on the balance sheet of Mine under construction was reclassified to Producing mine, Property, plant and equipment and Intangible assets in Q1 2025. Depreciation of these assets commenced in Q1 2025. For accounting purposes, depreciation commences when the facility is in use and production has started as intended. The facility has been in a testing phase since production of the first mineral concentrate in December 2024. In February 2025, the facility was deemed to have been brought to the location and condition necessary for it to operate as intended and was therefore considered completed from an accounting perspective.

The main categories of depreciation plans are:

- Buildings and facilities: straight-line basis over an estimated useful life, which corresponds to the life of mine expected at 39 years
- Machinery, equipment and systems: straight-line basis over an estimated useful life of 5 - 20 years
- Producing mine: Unit of Production
- Intangible assets: consisting of IT systems and depreciated on a straight-line basis over an estimated useful life of 5 - 10 years.

Note 4 – SPARE PARTS AND INVENTORY

The value of spare parts per Q3 2025 was equal to NOK 40.2 million and the carrying value of inventory of minerals per Q3 2025 was equal to NOK 8.7 million.

Note 5 – BOND LOAN

In March 2025 the Company completed the USD 33 million tap issue to its senior secured bonds 2022/2027 priced at 101% of par. The total outstanding amount under the bonds following the tap issue is USD 133 million. See information about tap issue performed in October in Note 10 – Events after the balance sheet date.

The bonds are listed on Nordic ABM with ticker: ERUGA01 PRO. The bonds are administered by Nordic Trustee, have a fixed coupon of 12.5% per annum, with interest payable quarterly in arrears. The USD 100 million bond issue in 2022 had an issue price of 90% of par.

The bond agreement has a financial covenant stipulating that Engebø Rutile and Garnet AS shall at all times maintain cash on its account of no less than USD 15 million. A breach of the covenant could result in a default under the agreement.

Note 6 – ROYALTY LIABILITY

In November 2023 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 11% of gross revenue from the Engebø Project.

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 liability under the royalty agreement is subsequently measured at amortized cost using the effective interest method.

Total amortized cost YTD 2025 is NOK 85.4 million, of which NOK 10.2 million have been capitalized to Mine under construction (capitalized until commencement of production in Q1 2025).

In the first, second and third quarters of 2025 the Company revised its estimates of future cash flows related to the royalty agreement. The net effect of the change in estimate per Q3 of NOK 28.2 million and YTD 2025 of NOK 70.7 million, has been recognized as financial income.

Next year's estimated royalty payments have been reclassified to other current liabilities.

Note 7 – NET EXCHANGE RATE GAIN/LOSS (-), FINANCIAL INCOME AND FINANCIAL COSTS

2025:

Net exchange rate gain/loss (-) in the third quarter and YTD 2025 consists mainly of:

- foreign exchange gain of NOK 14.6 million on the USD bond loan (YTD 2025: gain NOK 158.9 million),
- foreign exchange gain of NOK 6.7 million on the USD royalty liability (YTD 2025: gain NOK 80.2 million), and
- other foreign exchange loss of NOK 1.4 million (YTD 2025: loss NOK 33.5 million).

Financial income in the third quarter and YTD 2025 consists mainly of:

- interest on cash held of NOK 2.8 million (YTD 2025: NOK 10.9 million), and
- change in estimate royalty liability of NOK 28.2 million (YTD 2025: NOK 70.7 million).

Financial costs in the third quarter and YTD 2025 consist mainly of:

- interest costs on bond loan of NOK 39.1 million (YTD 2025: NOK 107.2 million),
- amortized cost royalty liability of NOK 27.8 million (YTD 2025: NOK 75.2 million), and
- interest costs on liability to parent company of NOK 8.2 million (YTD 2025: NOK 24.4 million).

Borrowing costs of NOK 24,1 million have been capitalized to Mine under construction until commencement of production in Q1 2025.

2024:

Net exchange rate gain/loss (-) in the third quarter and YTD 2024 consists mainly of:

- foreign exchange gain of NOK 7.0 million on bond Escrow in USD (YTD 2024: gain NOK 51.9 million),
- foreign exchange gain of NOK 13.8 million on the USD bond loan (YTD 2024: loss NOK 33.5 million),
- foreign exchange gain of NOK 8.2 million on the USD royalty liability (YTD 2024: loss NOK 15.9 million),
- foreign exchange gain of NOK 0.3 million on foreign exchange derivatives (YTD 2024: loss NOK 5.9 million), and
- other foreign exchange loss of NOK 9.2 million (YTD 2024: loss NOK 3.8 million).

Financial income in the third quarter and YTD 2024 consists mainly of:

- interest on cash held of NOK 4.1 million (YTD 2024: NOK 13.4 million).

Financial costs in the third and YTD 2024 consist mainly of:

- transaction costs and fees from financing of NOK 0.4 million (YTD 2024: NOK 2.0 million).

Note 8 – EVENTS AFTER THE BALANCE SHEET DATE

On 15 October 2025 the Company completed a USD 22.5 million tap issue to its senior secured bonds 2022/2027 priced at 98% of par. The total outstanding amount under the bonds following the tap issue is USD 155.5 million.