

2025

Fourth quarter results



ENGEBØ RUTILE AND GARNET INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2025¹

Engebø Rutile and Garnet AS ("Engebø 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 Engebø 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.

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 underground mining and stockpile depletion. Favourable location, topography and local hydropower connectivity enable 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 the Engebø Plant in the fourth quarter.

150 metric tons of rutile and 4,950 metric tons of garnet were produced in the quarter.

Step change for crushing, milling and wet processing operational time in November and December 2025 through rectification, modification and debottlenecking of equipment and circuits. Dry processing plant operating time and throughput levels to final mineral concentrate remains low.

Sogn og Fjordane District Court ruled in favor of Nordic Mining against several NGOs concerning a temporary injunction awaiting Supreme Court hearing verdict between the NGOs and the Norwegian State. The verdict has been appealed,

and the Gulating Court of Appeal has not yet decided if they will hear the case.

In January 2026 the Group successfully raised NOK 200 million through a private placement giving us the financing required to navigate the ramp-up and securing working capital.

Our year-end operational challenges prompted immediate action: Andrew Templeman was appointed as new Managing Director of ERG, effective from 19 January 2026.

Supported by Systemex and other technical partners, we have initiated an operational improvement program towards achieving design capacity by year end 2026. Systemex' initial review confirms that ERG is a viable operation with sufficient installed capacity. Nordic Mining will revert with an update on the ramp-up and operational progress in the first half of March.

Market development

Rutile

Titanium feedstock demand from the pigment and metals sector has been soft through 2025. Bulk rutile prices were flat in 2025 at around \$1200/mt and similar to the prices in 2024

Expectations are for a significant rebound in demand in 2026. This is especially the case for high grade titanium feedstock, with TZMI forecasting a 10% growth.

Long-term titanium demand is expected to grow at ~5–6% CAGR through 2029, supported by aerospace, industrial applications and a rebound in pigment demand.

The supply of natural rutile continues to decline due to resource depletion and lack of new large-scale projects.

Tightening supply-demand balance supports a favourable long-term pricing environment.

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

Garnet

Demand is stable across abrasive blasting, waterjet cutting and industrial applications.

Europe and North America continue to experience tight supply high quality garnet, driven by limited regional production.

High transport costs and quality constraints make reliable Western supply especially valued.

Garnet from China have a 45% duty when exporting to the US, garnet from Norway have 15% duty. Garnet from China to Europe do not have any duty.

Market tightness supports stable pricing and customer stickiness for high-grade products.

Offtake agreements

Iwatani: The current production plan is not expected to breach the delivery terms in the offtake agreement. The long-stop date for giving the buyer notification that the plant is ready to commence normal delivery of rutile is the 30th of June 2026.

US pigment producer: The long-stop date for announcing start-up of normal delivery of volumes has according to the agreement passed, giving the buyer a right to cancel the contract. The buyer has not given notification of cancellation and has announced that they want the volumes as stipulated in the contract, but that they want to revisit the pricing mechanism.

Barton: The current production plan is not estimated to deliver the minimum volumes as specified in the offtake agreement. A potential fee to Barton has been recognized in the fourth quarter. Discussions regarding relief of potential fee and on a possible joint venture for sales and distribution in Europe is ongoing.

Fourth quarter 2025 financial review

The Engebø Project is currently in production ramp-up and in the fourth quarter the Company had NOK 1.1 million in operating revenue (NOK 0.0 million), and NOK 4.8 million for the full year (NOK 0.0 million). Reported operating loss for the fourth quarter was NOK -132.2 million (NOK -13.9 million), and NOK -410.9 million for the full year (NOK -27.7 million). This includes a provision of USD 2 million recognized in the fourth quarter for a potential penalty fee payable to Barton if agreed garnet offtake volumes in the first contract year are not met by mid December 2026, due to delays in the production ramp-up.

Net financial items were NOK -99.3 million in the fourth quarter (NOK -67.5 million) and NOK -19.6 million for the full year (NOK -63.5 million). The main financial items in the fourth quarter were net loss on foreign exchange related to the bond loan and royalty liability of NOK -17.2 million, other foreign exchange gain of NOK 2.4 million, interest on cash held of NOK 2.9 million, change in estimate of royalty liability of NOK 28.2 million, interest cost on bond loan of NOK -77.7 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 fourth quarter was NOK -231.5 million (NOK -81.4 million) and reported net loss was NOK -430.5 million for the full year (NOK -91.2 million).

Net cash flow from operating activities for the full year was NOK -278.6 million (NOK -30.1 million). Net cash flow from the Company's investment activities related to Investment in mine under construction for the full year was NOK -84.0 million (NOK -1 072.8 million) and Investment in producing mine, property, plant and equipment and intangible assets for the full year was NOK -87.1 million (NOK -87.8 million). Interest on the bond loan for the full year was USD 17.0 million, corresponding to NOK 171.1 million, is included

in interest and financing fees paid (per Q4 2024: NOK 136.3 million). Please see note 5 for further information related to the bond loan.

The Company's cash and cash equivalents as of 31 December 2025 were NOK 276.3 million (Third quarter 2025: NOK 212.6 million). In addition, the Company had NOK 17.5 million in a restricted account pledged toward Directorate of Mining ("DirMin") for clean-up measures in accordance with the operating license and NOK 2.1 million in a restricted account pledged towards the Norwegian Environment Agency.

Engebø Rutile and Garnet's total assets as of 31 December 2025 were NOK 3.4 billion

(30 September 2025: NOK 3.3 billion), and total equity was NOK 494 million (30 September 2025: NOK 726 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, 3 February 2026

The Board of Directors of Engebø Rutile and Garnet AS

INCOME STATEMENT

All figures in NOK thousands	Note	Fourth Quarter		Twelve Months Ended	
		Q4 2025	Q4 2024	Dec 31, 2025	Dec 31, 2024
		Unaudited	Unaudited	Unaudited	Audited
Revenue		1 150	-	4 774	-
Payroll and related costs		(5 423)	-	(19 176)	-
Depreciation and amortization		(30 919)	(1 409)	(107 053)	(2 365)
Production expenses		(61 831)	-	(214 989)	-
Other operating expenses		(35 188)	(12 495)	(74 426)	(25 340)
Operating profit / (loss)		(132 211)	(13 904)	(410 870)	(27 705)
Net exchange rate gain/loss (-)	7	(14 868)	(119 797)	190 659	(127 056)
Financial income	7	31 116	52 365	112 746	65 737
Financial costs	7	(115 560)	(112)	(322 998)	(2 134)
Profit / (loss) before tax		(231 524)	(81 448)	(430 462)	(91 158)
Income tax		-	-	-	-
Profit / (loss) for the period		(231 524)	(81 448)	(430 462)	(91 158)

STATEMENT OF FINANCIAL POSITION

All figures in NOK thousands	Note	Dec 31, 2025 Unaudited	Dec 31, 2024 Audited
ASSETS			
Non-current assets			
Mine under construction	2	-	2 770 630
Producing mine	3	550 160	-
Property, plant and equipment	3	2 398 845	95 021
Intangible assets	3	21 616	-
Total non-current assets		2 970 621	2 865 651
Current assets			
Trade and other receivables		29 987	25 065
Spare parts and inventory	4	61 670	10 011
Restricted cash		19 552	12 645
Cash and cash equivalents		276 295	361 737
Total current assets		387 504	409 458
Total assets		3 358 125	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		1 234	-
Retained earnings/(losses)		(430 462)	-
Total equity		494 351	923 579
Non-current liabilities			
Bond loan	5	1 492 024	1 043 609
Royalty liability	6	567 192	599 798
Liability to parent company		554 839	518 048
Other non-current liabilities		70 572	-
Total non-current liabilities		2 684 628	2 161 455
Current liabilities			
Trade payables		22 422	40 098
Other current liabilities		156 724	149 976
Total current liabilities		179 146	190 074
Total liabilities		2 863 774	2 351 529
Total shareholders' equity and liabilities		3 358 125	3 275 108

STATEMENT OF CHANGES IN EQUITY

Figures in NOK thousands	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		-	-	-	(430 462)	(430 462)
Share-based compensation		-	-	1 234	-	1 234
Equity 31 December 2025		26 078	897 502	1 234	(430 462)	494 351

CONDENSED CASH FLOW STATEMENT

All figures in NOK thousands	Note	Dec 31, 2025 Unaudited	Dec 31, 2024 Audited
Operating activities:			
Net cash from/used (-) in operating activities		(278 588)	(30 120)
Investing activities:			
Investment in mine under construction		(83 954)	(1 072 832)
Investment in producing mine, property and equipment and intangible assets		(87 107)	(87 803)
Net cash used in investing activities		(171 062)	(1 160 635)
Financing activities:			
Net proceeds from borrowings, tap issue bonds		566 146	-
Transfer from Bond Escrow		-	1 152 427
Royalty payments		(396)	-
Interest paid		(171 096)	(136 317)
Net cash from financing activities		394 654	1 016 110
Net change in cash and cash equivalents		(54 996)	(174 644)
Cash and cash equivalents at beginning of period		361 737	522 164
Effect of exchange rate fluctuation on cash held		(30 446)	14 217
Cash and cash equivalents at end of period		276 295	361 737
Net change in restricted cash		6 907	4 215
Restricted cash at beginning of period		12 645	8 430
Restricted cash at end of period		19 552	12 645
Restricted and unrestricted cash at end of period		295 847	374 382

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2025

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 3 February 2026.

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 in 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

Figures in NOK thousands	Mine under construction	Producing Mine	Property, plant and equipment	Intangible assets	Total
Cost					
1 January 2025	2 6770 630	-	97 478	-	2 868 108
Additions	57 801	66 886	84 903	2 433	212 023
Disposals	-	-	-	-	-
Reclassifications	(2 828 431)	486 668	2 321 029	20 733	(0)
31 December 2025	-	553 554	2 503 410	23 166	3 080 131
Depreciation					
1 January 2025	-	-	(2 457)	-	(2 457)
Depreciation expense	-	(3 394)	(102 108)	(1 550)	(107 053)
Disposals	-	-	-	-	-
Reclassifications	-	-	-	-	-
31 December 2025	-	(3 394)	(104 565)	(1 550)	(109 510)
Net book value:					
31 December 2025	-	550 160	2 398 845	21 616	2 970 621
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 expected life of mine of 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 Q4 2025 was equal to NOK 46.9 million, the value of long-term stockpile per Q4 2025 was equal to NOK 3,3 million and the inventory value of finished goods per Q4 2025 was equal to NOK 11.1 million.

Note 5 - BOND LOAN

In March 2025 the Company completed a USD 33 million tap issue to its senior secured bonds 2022/2027 priced at 101% of par. In 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 these tap issues is USD 155.5 million. The bond has a maturity date in November 2027.

The bonds are listed on Nordic ABM with ticker: ERUGA01 PRO. The bonds are administered by Nordic Trustee, have 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. As part of the NOK 200 million equity raise in the parent Company Nordic Mining ASA in January 2026, more than 2/3 of the bondholders have pre-agreed to reduce the minimum liquidity covenant from USD 15 million to USD 10 million (see note 8). The Company was in compliance with all covenant requirements per Q4 2025.

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 113.2 million, of which NOK 10.2 million has been capitalized to Mine under construction (capitalized until commencement of production in Q1 2025).

In the first, second, third and fourth 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 in Q4 2025 of NOK 28.2 million and YTD 2025 of NOK 99.0 million, has been recognized as financial income.

Next year's estimated royalty payments of NOK 18.7 million 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 fourth quarter and YTD 2025 consists mainly of:

- foreign exchange loss of NOK 12.0 million on the USD bond loan (YTD 2025: gain NOK 146.9 million),
- foreign exchange loss of NOK 5.3 million on the USD royalty liability (YTD 2025: gain NOK 74.9 million), and
- other foreign exchange gain of NOK 2.4 million (YTD 2025: loss NOK 31.1 million).

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

- interest on cash held of NOK 2.9 million (YTD 2025: NOK 13.8 million), and
- change in estimate royalty liability of NOK 28.2 million (YTD 2025: NOK 99.0 million).

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

- interest costs on bond loan of NOK 77.7 million (YTD 2025: NOK 184.8 million),
- amortized cost royalty liability of NOK 27.8 million (YTD 2025: NOK 103.0 million), and
- interest costs on liability to parent company of NOK 8.3 million (YTD 2025: NOK 32.7 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 fourth quarter and YTD 2024 consists mainly of:

- foreign exchange gain of NOK 0.0 million on bond Escrow in USD (YTD 2024: gain NOK 51.9 million),
- foreign exchange loss of NOK 84.6 million on the USD bond loan (YTD 2024: loss NOK 118.1 million),
- foreign exchange loss of NOK 50.3 million on the USD royalty liability (YTD 2024: loss NOK 66.3 million),
- foreign exchange gain of NOK 0.0 million on foreign exchange derivatives (YTD 2024: loss NOK 5.9 million), and
- other foreign exchange gain of NOK 15.1 million (YTD 2024: gain NOK 11.3 million).

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

- interest on cash held of NOK 4.5 million (YTD 2024: NOK 17.9 million).
- change in estimate royalty liability of NOK 47.9 million (YTD 2024: NOK 47.9 million).

Financial costs in the fourth quarter and YTD 2024 consist mainly of:

- transaction costs and fees from financing of NOK 0.1 million (YTD 2024: NOK 2.1 million).

Note 8 – EVENTS AFTER THE BALANCE SHEET DATE

In January 2026 the parent Company Nordic Mining ASA completed a private placement of 16,666,666 new shares, each at a fixed price of NOK 12 per share, raising gross proceeds of NOK 200 million. As part of the equity raise, more than 2/3 of the bondholders in the Engebø Rutile and Garnet AS 12.5% Senior Secured USD 155.5 million Bonds have pre-agreed to reduce the minimum liquidity covenant from USD 15 million to USD 10 million.

The Company is subject to production milestones under its royalty agreement with OMRF (Zr) LLC, managed by Orion Resource Partners. Pursuant to this agreement, the Company was required to demonstrate sustained operation at specified capacity levels by 31 March 2026 (the "Commercial Longstop Date"). Due to ramp-up challenges, the Company does not expect to meet this milestone and have in January 2026 agreed an extension of the Commercial Long Stop Date to 31 March 2027 with Orion, subject to final documentation.

Andrew Templeman was appointed new Managing Director of ERG, effective from 19 January 2026.