2026

Second Quarter and Half-Year results

ENGEBØ RUTILE AND GARNET INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2026[1]

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 (TiO_2) 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 3 Lost Time Injuriey (LTI) related to the Engebø operation in the second quarter of 2026
- 1,263 tons of rutile were produced in the second quarter of 2026. While a limited share met customer specifications, most of the rutile produced remains below the targeted 93% TiO_2 content.
- 10,127 tons of garnet were produced in the second quarter of 2026. The product was within customer specifications; however, quality of the May shipment of approximately 3,500 tons has been disputed and discussions with the offtake partner are ongoing regarding the commercial acceptance of this shipment, and no revenue has been recognized to date. The Company continues to focus on product quality improvements, and a subsequent shipment to the Netherlands in August has shown positive initial survey results.
- Nordic Mining has updated its operational and financial outlook following a comprehensive review of the Engebø ramp-up, reflecting a more conservative production profile based on actual operating experience.
- Production ramp-up has progressed more slowly than originally anticipated due to challenges related to mineral separation, product quality, and lower ore grades than assumed in the UDFS. Full run-rate production is now expected to be achieved over a longer timeframe.
- The Company continues to focus on operational improvement initiatives and independent technical verification of the ramp-up plan to enhance production performance and reduce execution risk.
- Nordic Mining is addressing an immediate liquidity challenge and is pursuing short-term financing solutions alongside a broader financial restructuring process to secure the funding required for continued operations.
- Discussions with bondholders include potential additional funding under the existing bond framework and covenant adjustments as part of the overall financing solution, some of which have already been approved, ref. note 4 to the financial statements.
- Regulatory uncertainty remains following the Norwegian Supreme Court ruling regarding the Førdefjorden disposal permit, with the Government currently undertaking a reassessment process.

[1] Unless other information is given, numbers in brackets for comparison relate to the corresponding period in 2025.

Despite operational, financial and regulatory challenges, Nordic Mining continues to pursue its strategy of establishing Engebø as a significant long-term supplier of natural rutile and garnet to global markets.

Market development

Rutile and Garnet

Market fundamentals for natural rutile and garnet remain supportive, driven by continued demand for scarce, high-quality industrial minerals with strategic relevance for European and international value chains. Natural rutile continues to be a limited and high-value titanium feedstock, while garnet demand is supported by established use in abrasive and waterjet applications.

Bulk natural rutile is a thinly traded product, with only a handful of visible trades for the second quarter. These trades were done at around USD 950 per ton. This is significantly lower than synthetic rutile at around USD 1100 per ton. Historically natural rutile has typically traded at a premium of USD 100-200 per ton over synthetic rutile. The reason for the discount to synthetic rutile observed in the quarter could be related to quality or other delivery terms of these specific shipments.

Offtake agreements

Iwatani: The long-stop date for giving the buyer notification that the plant is ready to commence normal delivery of rutile was the 30th of June 2026. It has been agreed to move the long-stop date to 31st of December.

US Pigment producer: The long-stop date for announcing start-up of normal delivery volumes has, according to the agreement, passed which gives the buyer the 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. Discussions regarding a new pricing mechanism is expected to be concluded by year end.

Barton: Nordic Mining and Barton are in discussions regarding an updated offtake agreement. We are expecting adjustments to volume, prices, quality and settlement. We anticipate the discussions with Barton to be completed by year end.

Despite the slower-than-anticipated ramp-up, the strategic market position of Engebø remains unchanged. The operation is expected to become a long-term European supplier of natural rutile and garnet into markets characterized by limited supply, established demand and increasing focus on secure and sustainable mineral value chains.

Second quarter and first half of 2026 financial review

The Engebø Project is currently in production ramp-up and in the second quarter the Company had NOK 0.0 million in operating revenue (NOK 2.7 million). Reported operating loss for the second quarter was NOK -138.8 million (NOK -91.2 million) and NOK -280.7 million for the first half of 2026 (NOK -161.4 million). This includes an additional provision of USD 1 million recognized in the first 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. A provision of USD 2 million related to this was recognized in the fourth quarter of 2025 and USD 1 mill in the first quarter 2026. Due to partly settlement during the second quarter, the provision amounts to USD 2 mill as of June 2026.

Net financial items were NOK -80.1 million in the second quarter (NOK 13.1 million) and NOK -93.6 million in the first half of 2026 (NOK 104.3). The main financial items in the second quarter were net loss on foreign exchange related to the bond loan and royalty liability of NOK 38.8 million, other foreign exchange loss of NOK -0.2 million, interest on cash held of NOK 1.6 million, change in estimate of royalty liability of NOK 53.1 million, interest cost on bond loan of NOK -56.8 million and amortized cost of royalty liability of NOK -26.5 million. Please see note 6 for further information.

Reported net loss in the second quarter was NOK -218.9 million (NOK -78.1 million) and reported net loss for the first half of 2026 was NOK 374.3 million (NOK -57.1 million).

Net cash flow from operating activities for the first half of 2026 was NOK -199.3 million (NOK -96.4 million). Net cash flow from the Company's investment activities related to investment in producing mine, property, plant and equipment and intangible assets for the first half of 2026 was NOK -20.8 million (NOK -154.2 million). Interest paid on the bond loan for the first half of 2026 amounted to USD 9.7 million (NOK 92.1 million) and is included in interest and financing fees paid (first half of 2025: NOK 78.8 million). Please see note 4 for further information related to the bond loan.

The Company's cash and cash equivalents as of 30 June 2026 were NOK 135.3 million (first quarter 2026: NOK 229.6.3 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 4.0 million in a restricted account pledged towards the Norwegian Environment Agency.

Engebø Rutile and Garnet's total assets as of 30 June 2026 were NOK 3.2 billion (31 March 2026: NOK 3.3 billion), and total equity was NOK 120.2 million (31 March 2026: NOK 339.2 million).

For further information relating to the Company's risk assessments, reference is made to the annual report for 2025 which is available on the Company's webpage www.nordicmining.com.

Oslo, 17 August 2026

The Board of Directors of Engebø Rutile and Garnet AS

INCOME STATEMENT

All figures in NOK thousands	Note	2026 01.04-30.06 Unaudited	2025 01.04-30.06 Unaudited	2026 01.01-30.06 Unaudited	2025 01.01-30.06 Unaudited	2025 01.01-31.12 Audited
Revenue		**-**	2 671	**4 262**	2 671	4 774
Other income		**15**	-	**30**	-	-
Payroll and related costs		**(4 201)**	(4 572)	**(9 761)**	(8 339)	(19 176)
Depreciation and amortization		**(31 804)**	(28 720)	**(62 983)**	(48 412)	(107 053)
Production expenses		**(82 502)**	(47 596)	**(162 141)**	(83 092)	(214 989)
Other operating expenses		**(20 290)**	(12 965)	**(50 112)**	(24 271)	(74 426)
Operating profit / (loss)		**(138 781)**	(91 183)	**(280 705)**	(161 444)	(410 870)
Net exchange rate gain/loss (-)	7	**(39 035)**	70 341	**24 554**	185 552	190 659
Financial income	7	**54 688**	17 405	**69 467**	50 673	112 746
Financial costs	7	**(95 733)**	(74 686)	**(187 602)**	(131 912)	(322 998)
Profit / (loss) before tax		**(218 861)**	(78 123)	**(374 285)**	(57 130)	(430 462)
Income tax		**-**	-	**-**	-	-
Profit / (loss) for the period		**(218 861)**	(78 123)	**(374 285)**	(57 130)	(430 462)

STATEMENT OF FINANCIAL POSITION

All figures in NOK thousands	Note	30.06.2026 Unaudited	31.12.2025 Audited
ASSETS			
Non-current assets			
Producing mine	2	**555 143**	550 160
Property, plant and equipment	2	**2 351 268**	2 398 845
Intangible assets	2	**21 977**	21 616
Financial investments		**385**	-
Total non-current assets		**2 928 774**	2 970 621
Current assets			
Trade and other receivables		**19 422**	29 987
Spare parts and inventory	3	**97 860**	61 670
Restricted cash		**20 860**	19 552
Cash and cash equivalents		**135 263**	276 295
Total current assets		**273 405**	387 504
Total assets		**3 202 179**	3 358 125
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		**26 078**	26 078
Share premium		**467 039**	467 039
Other paid-in-capital		**1 329**	1 234
Retained earnings/(losses)		**(374 285)**	-
Total equity		**120 160**	494 351
Non-current liabilities			
Bond loan	4	**1 486 378**	1 492 024
Royalty liability	5	**528 941**	567 192
Liability to parent company		**771 361**	551 046
Other non-current liabilities		**50 580**	70 572
Total non-current liabilities		**2 837 260**	2 680 834
Current liabilities			
Trade payables		**53 506**	26 216
Other current liabilities		**191 253**	156 724
Total current liabilities		**244 759**	182 940
Total liabilities		**3 082 019**	2 863 774
Total shareholders' equity and liabilities		**3 202 179**	3 358 125

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 2026		**26 078**	**467 039**	**1 234**	**-**	**494 351**
Profit/(loss) for the period		-	-	-	(374 285)	(374 285)
Share-based compensation		-	-	94	-	94
Equity 30 June 2026		**26 078**	**467 039**	**1 329**	**(374 285)**	**120 160**

CONDENSED CASH FLOW STATEMENT

All figures in NOK thousands	Note	2026 01.01-30.06 Unaudited	2025 01.01-30.06 Unaudited
Operating activities:			
Net cash from/used (-) in operating activities		**(199 340)**	(96 393)
Investing activities:			
Investment in producing mine, property and equipment and intangible assets	2	**(20 751)**	(154 159)
Financial investments		**(385)**	-
Net cash used in investing activities		**(21 136)**	(154 159)
Financing activities:			
Net proceeds from borrowings, tap issue bonds		**-**	349 000
Royalty payments		**(577)**	-
Interest paid		**(92 131)**	(78 824)
Net proceeds from borrowings from parent company		**180 000**	279
Net cash from financing activities		**87 292**	270 454
Net change in cash and cash equivalents		**(133 184)**	19 902
Cash and cash equivalents at beginning of period		**276 295**	361 737
Effect of exchange rate fluctuation on cash held		**(7 848)**	(32 906)
Cash and cash equivalents at end of period		**135 263**	348 734

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD 30 June 2026

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 2025.

This report was authorized for issue by the Board of Directors on 17 August 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 2025.

Note 2 – PRODUCING MINE, PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Figures in NOK thousands	Producing Mine	Property, plant and equipment	Intangible assets	Total
Cost				
1 January 2026	553 554	2 503 410	23 166	3 080 131
Additions	10 000	9 186	1 565	20 751
Disposals	-	-	-	-
Reclassifications	-	-	-	-
30 June 2026	**563 554**	**2 512 596**	**24 731**	**3 100 882**
Depreciation				
1 January 2026	(3 394)	(104 565)	(1 550)	(109 510)
Depreciation expense	(5 017)	(56 762)	(1 204)	(62 983)
Disposals	-	-	-	-
Reclassifications	-	-	-	-
30 June 2026	**(8 411)**	**(161 327)**	**(2 754)**	**(172 493)**
Net book value:				
30 June 2026	555 143	2 351 268	21 977	2 928 389
1 January 2026	550 160	2 398 845	21 616	2 970 621

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 the 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.

The Company has performed an impairment test due to indicators of impairment being present at 30. June 2026 for the value of the mine in Engebø.

The impairment indicators considered included delays in production and shipment volumes compared with the original ramp-up plan. The Company has also considered the Supreme Court judgment of 17 June 2026 concerning the invalidity of the discharge permit for tailings disposal in the Førdefjord and its potential impact on the value of ERG.

The impairment test as of 30 June 2026 was performed using updated key assumptions to reflect the latest available information. The updated key assumptions include a revised cash flow forecast and an increase in the weighted average cost of capital (WACC) from 10.2% in Q4 2025 to 10.6%. The increase in WACC primarily reflects a higher expected risk-free interest rate going forward, as indicated by higher interest rates on 10-year government bonds.

For impairment testing purposes, the Company has identified the Engebø mine as a single cash-generating unit (CGU), comprising the mine and related assets that collectively generate cash inflows. The cash inflows generated by these assets are largely interdependent and cannot be separately identified for individual assets.

The recoverable amount was determined based on value in use under the Company's base-case assumptions (WACC 10,6%). 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 loss has been recognized as at 30 June 2026.

Given the significant sensitivity of the recoverable amount calculation to changes in key assumptions, the Company has performed sensitivity analyses for the Engebø CGU. The analysis indicates that, in isolation, an overall reduction in forecast revenue of 13 %, an increase in the WACC from 10,6% up to 14,2 %, or a further delay in the production ramp-up of six quarters could result in the recoverable amount falling below the carrying amount, thereby giving rise to an impairment loss.

As an additional assessment, the Company considered the potential impact of the Supreme Court judgment on the value of ERG.

The potential impact was assessed through a probability-weighted analysis of possible outcomes regarding the continuation of operations. This assessment was performed to provide additional assessment over the robustness of the calculated recoverable amount and to ensure that relevant observable external factors were appropriately considered in the impairment assessment.

The assessment supports the conclusion that the recoverable amount remains above the carrying amount of the assets as at 30 June 2026 and that no impairment is therefore required.

Note 3 – SPARE PARTS AND INVENTORY

The value of spare parts per Q2 2026 was NOK 61.4 million, the value of long-term stockpile per Q2 2026 was NOK 4,8 million and the inventory value of finished goods and goods under production per Q2 2026 was NOK 31.7 million.

Note 4 - BOND LOAN

The Company's total outstanding amount under its senior secured bonds 2022/2027 is USD 155.5 million. The bonds are listed on Nordic ABM with ticker ERUGA01 PRO, are administered by Nordic Trustee, have fixed coupon of 12.5% per annum, with interest payable quarterly in arrears, and maturity in November 2027.

The bond agreement includes financial covenants requiring (i) Engebø Rutile and Garnet AS to maintain cash on its account of no less than USD 10 million at all times, and (ii) Nordic Mining ASA to maintain a minimum equity ratio of 25% at Group level measured at each quarter end. The Company was in compliance with both covenant requirements as at 30 June 2026. A breach of either covenant could result in a default under the bond agreement, and if not remedied or waived, could cause the bond loan to become repayable on demand. After the balance sheet date, the bondholders approved amendments to the financial covenants to support the Company’s short-term liquidity position. Pursuant to a written resolution dated 11 August 2026, the bondholders agreed to defer the August coupon payment, temporarily reduce the minimum liquidity requirement to USD 2.0 million and waive the equity covenant until 4 September 2026. Further, the Group agreed to an increase in the PIK rate on the senior secured bonds from 12.5% to 15.0% and pay a consent fee of USD 3.1 million capitalized to the principal amount of the bonds. Further information on the Group's financial situation and the ongoing work to address it is provided in Note 7 – Going concern.

Note 5 – 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. The future royalty payments under the royalty agreement equal 11% of gross revenue from the Engebø Project.

The Company is subject to production milestones under its royalty agreement. Pursuant to this agreement, the Company is required to demonstrate sustained operation at specified capacity levels by 31 March 2027. In the first quarter of 2026, the Company and Orion formally agreed to extend the Commercial Longstop Date from 31 March 2026 to 31 March 2027.

A fee payable in connection with the extension of the Commercial Longstop Date has been recognized as an adjustment to the carrying amount of the royalty liability and is amortized over the remaining term as part of the effective interest rate. The fee was not settled as of 30 June 2026. The modification of the contractual terms did not result in a derecognition of the financial liability. In accordance with IFRS 9, the modification was accounted for as an adjustment to the existing liability, with the impact recognized through a recalculation of the amortized cost using the effective interest method.

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 2026 is NOK 53.2 million.

In first and second quarter of 2026 the Company revised its estimates of future cash flows related to the royalty agreement. The net effect of the change in estimate YTD 2026, NOK 65.7 million, has been recognized as financial income.

Next year's estimated royalty payments of NOK 21.9 million have been reclassified to other current liabilities.

Note 6 – NET EXCHANGE RATE GAIN/LOSS (-), FINANCIAL INCOME AND FINANCIAL COSTS

2026:

Net exchange rate gain/loss (-) in Q2 2026 and YTD 2026 consists mainly of:

- foreign exchange loss of NOK 27.2 million on the USD bond loan (YTD 2026: gain NOK 23.7 million),
- foreign exchange loss of NOK 11.6 million on the USD royalty liability (YTD 2026: gain NOK 7.4 million), and
- other foreign exchange loss of NOK 0.2 million (YTD 2026: loss NOK 6.5 million).

Financial income in Q2 2026 and YTD 2026 consists mainly of:

- interest on cash held of NOK 1.6 million (YTD 2026: NOK 3.8 million), and
- change in estimate royalty liability of NOK 53.1 million (YTD 2026: NOK 65.7 million).

Financial costs in Q2 2026 and YTD 2026 consists mainly of:

- interest costs on bond loan of NOK 56.8 million (YTD 2026: NOK 110.3 million),
- amortized cost royalty liability of NOK 26.5 million (YTD 2026: NOK 53.2 million),
- interest costs on liability to parent company of NOK 10.9 million (YTD 2026: NOK 21.2 million), and
- interest cost on liability mining workshop building of NOK 1.2 million (YTD 2026: NOK 2.4 million).

2025:

Net exchange rate gain/loss (-) in Q2 2025 and YTD 2025 consists mainly of:

- foreign exchange gain of NOK 60.5 million on the USD bond loan (YTD 2025: gain NOK 144.2 million),
- foreign exchange gain of NOK 26.5 million on the USD royalty liability (YTD 2025: gain NOK 73.5 million), and
- other foreign exchange loss of NOK 16.6 million (YTD 2025: loss NOK 32.2 million).

Financial income in Q2 2025 and YTD 2025 consists mainly of:

- interest on cash held of NOK 4.4 million (YTD 2025: NOK 8.1 million), and
- change in estimate royalty liability of NOK 13.0 million (YTD 2025: NOK 42.5 million).

Financial costs in Q2 2025 and YTD 2025 consists mainly of:

- interest costs on bond loan of NOK 38.6 million (YTD 2025: NOK 68.1 million),
- amortized cost royalty liability of NOK 27.7 million (YTD 2025: NOK 47.4 million), and
- interest costs on liability to parent company of NOK 8.2 million (YTD 2025: NOK 16.2 million).

Borrowing costs of NOK 24.1 million have been capitalized to Mine under construction until commencement of production in Q1 2025.

Note 7 – GOING CONCERN

The financial statements have been prepared on a going concern basis. However, material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Company faces an immediate liquidity shortfall.

On 17 June, the Supreme Court issued its final ruling regarding the State's approval of ERG's discharge permit. Regulatory uncertainty remains following the Norwegian Supreme Court's decision to uphold the Court of Appeal's ruling that the governments issue of the Førdefjorden disposal permit was invalid due to procedural errors. The Government is currently reassessing the matter, and Nordic Mining expects a temporary permit for continued deposition to be granted in September.

The Company has received a petition for a temporary injunction from an organization referring to itself as Neptun Network, seeking an immediate halt to tailings deposition as a consequence of the Supreme Court ruling. It is currently uncertain whether the petition will be heard by the District Court.

On 8 August, Nordic Mining announced that it had an immediate liquidity need, as well as a need for a long-term solution to secure the Company's financial position. Nordic Miningis currently engaged in dialogue with its bondholders and other relevant stakeholders regarding potential measures to address the immediate liquidity requirement and establish a sustainable financing structure for the continued ramp-up of the Engebø project and the Company's ongoing operations. The outcome of these discussions remains uncertain and is subject to ongoing negotiations, required approvals and prevailing market conditions. The bondholders have agreed to waive the financial covenants until 4 September 2026, as described in Note 4, while Nordic Mining continues discussions with bondholders regarding a targeted USD 10–15 million liquidity injection to fund operations through November 2026. The Company will also need to cover a further liquidity shortfall in 2027 and at the same time address its 2027 bond maturity to establish a viable long-term financial platform.

The bondholders have engaged SRK Consulting to carry out an independent technical review of the operations and an assessment of the current ramp-up plan. The conclusions from this review, together with the outcome of the ongoing discussions and processes, may influence the bondholders' assessment of the Company's situation. If the outcome of these processes presents a less favorable picture than the solutions currently being pursued, the final outcome and structure of any agreed solution may be uncertain.

While Nordic Mining obtained relevant covenant waivers until 4 September 2026, including an agreement to roll up interest until that date, available liquidity is expected to be insufficient thereafter unless additional capital measures are implemented.

There is no assurance that the required short-term financing solution or any longer-term financial restructuring will be completed on acceptable terms, or at all. Failure to secure adequate financing in a timely manner could have a material adverse effect on the Company's operations, financial position and ability to continue as a going concern.

Note 8 – EVENTS AFTER THE BALANCE SHEET DATE

Information on the Company's financial situation and the ongoing work to address it is provided in Note 7 – Going concern.

Barton Group has notified the Company of its intention to initiate discussions regarding a potential renegotiation of the existing garnet offtake agreement. The request is related to delays in deliveries during the first contract year and proposed adjustments to the applicable product specifications. The Company will participate in such discussions in good faith with the objective of supporting the long-term development of the commercial partnership. At this stage, the outcome of the discussions cannot be determined, and any agreed amendments to the offtake agreement may affect the timing, volume, pricing or other terms applicable to future revenues from garnet production. Discussions regarding any potential penalties or other consequences related to shortfall deliveries in the first contract year are expected to be addressed as part of the overall negotiations.