



**MINERALS FOR A
SUSTAINABLE FUTURE**



**NORDIC
MINING**

Q3 2024 Interim presentation
November 5th, 2024



SAFETY | ENVIRONMENT | INNOVATION

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1. Introduction

2. Engebø Rutile and Garnet

3. Kvinnherad quartz

4. Financial update Q3-2024

5. Q & A



Highlights



Safety & ESG

- *No Lost Time Injuries (LTI) in the 3rd quarter*
- *924 days to date without LTI*
- *Focus on water management*



Progress & schedule

- *NOK 278 million invested in Engebø in 3rd quarter*
- *NOK 2.6 billion invested in total*
- *Construction on schedule towards production ramp-up in Q4*



Operational readiness

- *Mining contractor agreement kicked off*
- *First ore to Primary Crushing including ore pass design verification*
- *Shift work started for process and production operators*



Finance

- *Maintain guiding of estimated project reserves of USD 25 million*
- *Engebø fully financed until positive cash flow*
- *NOK 586 million in cash and cash equivalents at group level*

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Health and safety

- No Lost Time Injuries (LTI) recorded over the project to date, with a total of 924 days LTI free days.
- The quarter peaked with an average of 160 construction workers at site over the period as the project reached mechanical completion and commissioning commenced.
- All remaining heavy lifts were completed during the quarter.
- Work related to heights and suspended loads are reduced as all buildings are closed and mechanical completion is reached.
- Increased focus on safety regarding energization of plant and equipment as the project migrates from construction to commissioning.



Key Performance Indicator	2024	Project to date ³	Target
Lost time injuries (1/1 million working hours)	0	0	<2,5 ¹
Total recordable injuries (1/1 million working hours)	0	0	<8,8 ¹
High potential incidents ²	12	18	0
Low potential incidents ²	163	362	-

1) Source: The Federation of Norwegian Industries
 2) Health, Safety and Security reported Non-Conformances
 3) Project to date is: 1st November 2024

Construction on schedule for production ramp-up in Q4

- All Customer Provided Items (“CPIs”) have been installed by Structural, Mechanical Piping and Plating (“SMPP”) contractor according to plan and are ready for commissioning.
- The Civil and Buildings contractor has completed majority of contractual work. The minor outstanding items are not related to or in conflict with commissioning and ramp-up.
- The SMPP contractor has completed mechanical installation in October and are working to close out minor outstanding work. Nordic Bulk will retain a small team to support during commissioning.
- The Electrical and Instrumentation (“E&I”) contractor has energized and all transformers after connecting the process plant to regional power grid. The contractor is finalizing the scope of work according to commissioning plan.
- Various processing circuits have been partly taken over from the EPCs during the commissioning process. While preparing for hot commissioning, the company has started regular shift work for the process and production operators.









Mining area ready for production ramp-up



Open pit area

- All infrastructure required for mining operations completed
- Haul road tunnel completed
- Ore stockpile for first 3 months of operations available in pit



Waste rock and stockpile storage area

- Forestry work to prepare waste rock and stockpile area
- Sedimentation pond and waterways constructed down to process area



Mining alliance agreement

- Drilling units arrived and started preparing benches
- Mining staff onboarding through Q4 2024
- Focus is to provide access to high grade ore for continued production.



Mineral processing plant completed with commissioning ongoing



Process plant mechanical completed

- Comminution and Mineral Processing plant mechanical completed
- Filling and testing of water lines ongoing
- Comminution and Milling circuit partly hot commissioned and ready for ore
- Mineral processing circuit is partly cold commissioned and close to ready for ore.



Commissioning and ramp-up

- Staff from construction and operations to form commissioning team with EPCs
- Detailed ramp-up plan prepared
- Focus on quality as production commence and ramping up to achieve full production capacity during 2025

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5-Shift schedule implemented in October

- All required personnel in place for production
- Shift work started for process and production operators from October
- Process operators focus on inspections and preparations for hot commissioning in the various areas



Focus on hot commissioning of mineral separation units

Executed in stages to progress area by area towards production ramp-up

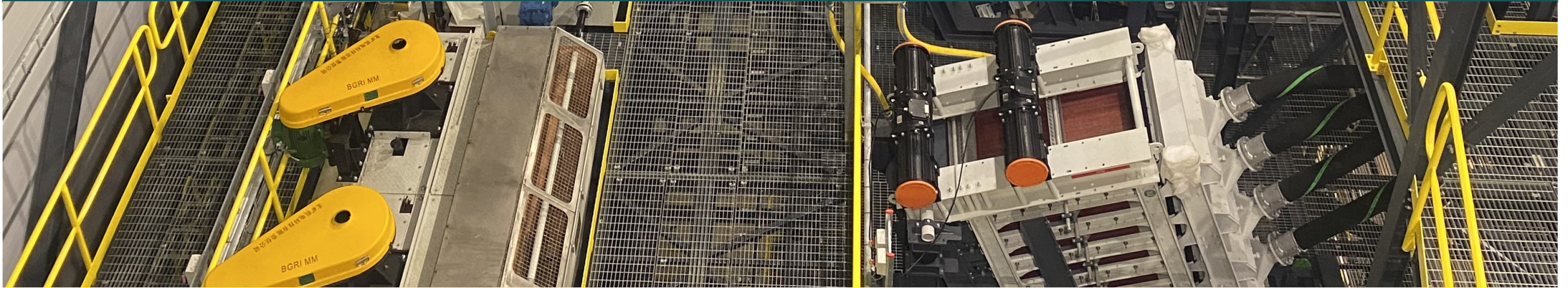
Cold Commissioning



Hot Commissioning



Tuning of process plant



- The hot commissioning phase continues into the fourth quarter with the expectation of the following milestones:
 - First ore to mill
 - First mineral concentrate
- Production will be ramped up to planned production during 2025 by tuning of the process equipment

Pigment demand in 2H 2024 is lower than expected

Titanium pigment

After an encouraging first half of 2024, western pigment producers reported lower demand levels for pigment in Q3. Going into Q4, pigment demand is expected to go down further due to lower seasonal demand and weak housing sector.

Although Q4 is expected to be lower in demand, pigment production rates are expected to remain stable as producers build inventory in anticipation of stronger demand in 2025 and onwards.

Mid- to long-term, pigment demand is expected to be supported by lower anticipated interest rates, stimulus packages, an improved real estate market and implementation of protective import measures on Chinese pigment imports in several areas of the world. It is expected that these measures will support the local pigment producers.

Titanium feedstock

The healthy operating rates of the pigment producers supported a stable demand for titanium feedstock in Q3.

In the coming quarters, demand for especially high-grade chloride feedstock is expected to remain steady, driven by improved demand outlook for pigment.



Nordic Mining – Barton partnership: operational readiness despite soft markets

- In Q3, Nordic Mining’s garnet offtake partner, BARTON group, attended IMTS in Chicago, Fabtech in Orlando, and EuroBLECH in Hannover. Each show featured the partnership and news of new European garnet was very well received.
- BARTON group reports that receiving and handling, warehousing and distribution, and sales and marketing are in place, on schedule, and in synch with Nordic’s startup and commissioning.
- Demand for garnet abrasives in North America were soft in the second and third quarters largely due to higher interest rates and slow economic activity in the industrial sector. However, this showed some improvement in October.
- Demand in Europe remained soft as the major economies continued to struggle.



Soft rutile prices expected to recover in 2025

Rutile

- Two offtake agreements covering up to full production volume for the first five years.
- Price is based on market price mechanisms using global, independent consulting and publishing company TZ Minerals International Pty Ltd.
- As from Q3 2023, Rutile prices have been weakening due to the weakness in the pigment segment. Rutile prices seem to have stabilized and are expected to strengthen in 2025, driven by the improved market conditions in the pigment and metal sectors.

Garnet

- Offtake agreement with marketing partner BARTON group.
- Volume and prices are fixed for the first five years.



A person wearing a high-visibility green safety suit and a white hard hat is working in a rocky stream. The person is leaning over, possibly sampling or examining the rocks. The background shows a dense forest of bare trees.

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Bulk sample collection for large-scale test work

- Field work is ongoing to extract bulk samples from the Kvinnherad quartz deposit.
- Bulk samples will be used for pilot scale processing of High Purity Quartz product through a full cycle process.
- Pilot test work will enable test production by potential customers and/or partners and will provide important knowledge for forthcoming technical studies.
- Pending results from test work, the tentative progress will be to commence additional drilling program and pre-feasibility study in 2nd half of 2025.



High Purity Quartz is critical for the photovoltaic and semiconductor industries

From CNBC on October 3rd, 2024:

Virtually all of the world's supply of a mineral that is critical to semiconductor production comes from one tiny town in the foothills of the Blue Ridge Mountains that has been devastated by Hurricane Helene.

Mines in Spruce Pine produce the world's purest form of quartz, which plays a central role in chip manufacturing.

The natural disaster unfolding in Spruce Pine also highlights the continued instability of global supply chains, more than four years after Covid-19 drove home to Americans how dependent they had become on imported goods.

Two companies, Sibelco and The Quartz Corp., extract the high-purity quartz in Spruce Pine, refine it and export it to manufacturing facilities based primarily in China and other parts of Asia.

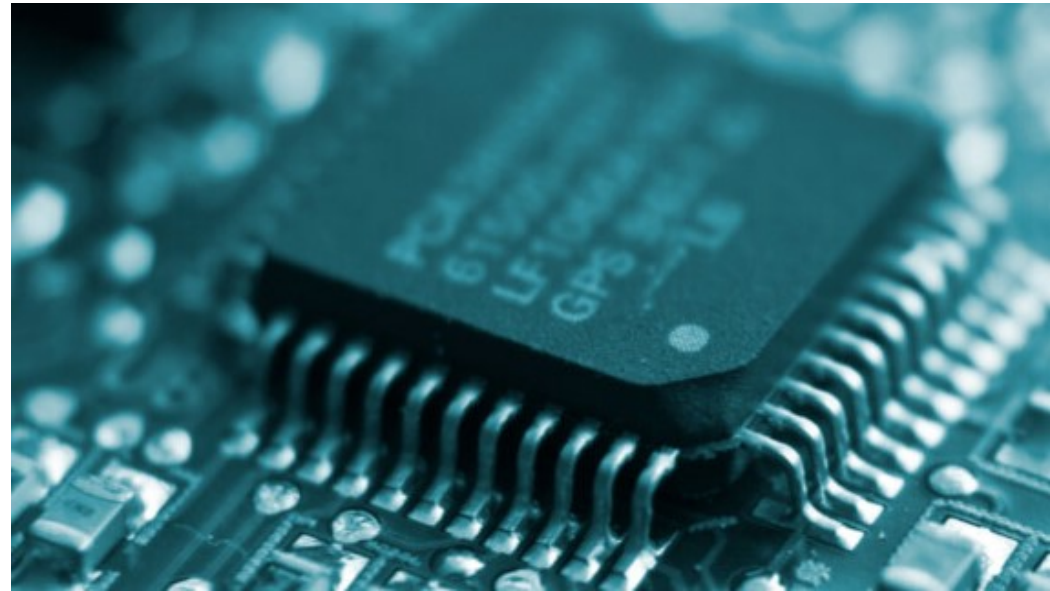
Fortunately, the hurricane did not lead to a long disruption of the mining operations in Spruce Pine.



POLITICS

How a tiny town hit by Helene could upend the global semiconductor chip industry

PUBLISHED THU, OCT 3 2024 4:00 PM EDT



A person wearing a high-visibility green safety suit and a white hard hat is working in a rocky stream. The person is leaning over, possibly sampling water or rocks. The background shows a dense forest of bare trees, suggesting a cold or late autumn setting. The overall scene is dimly lit, with a blueish-green tint.

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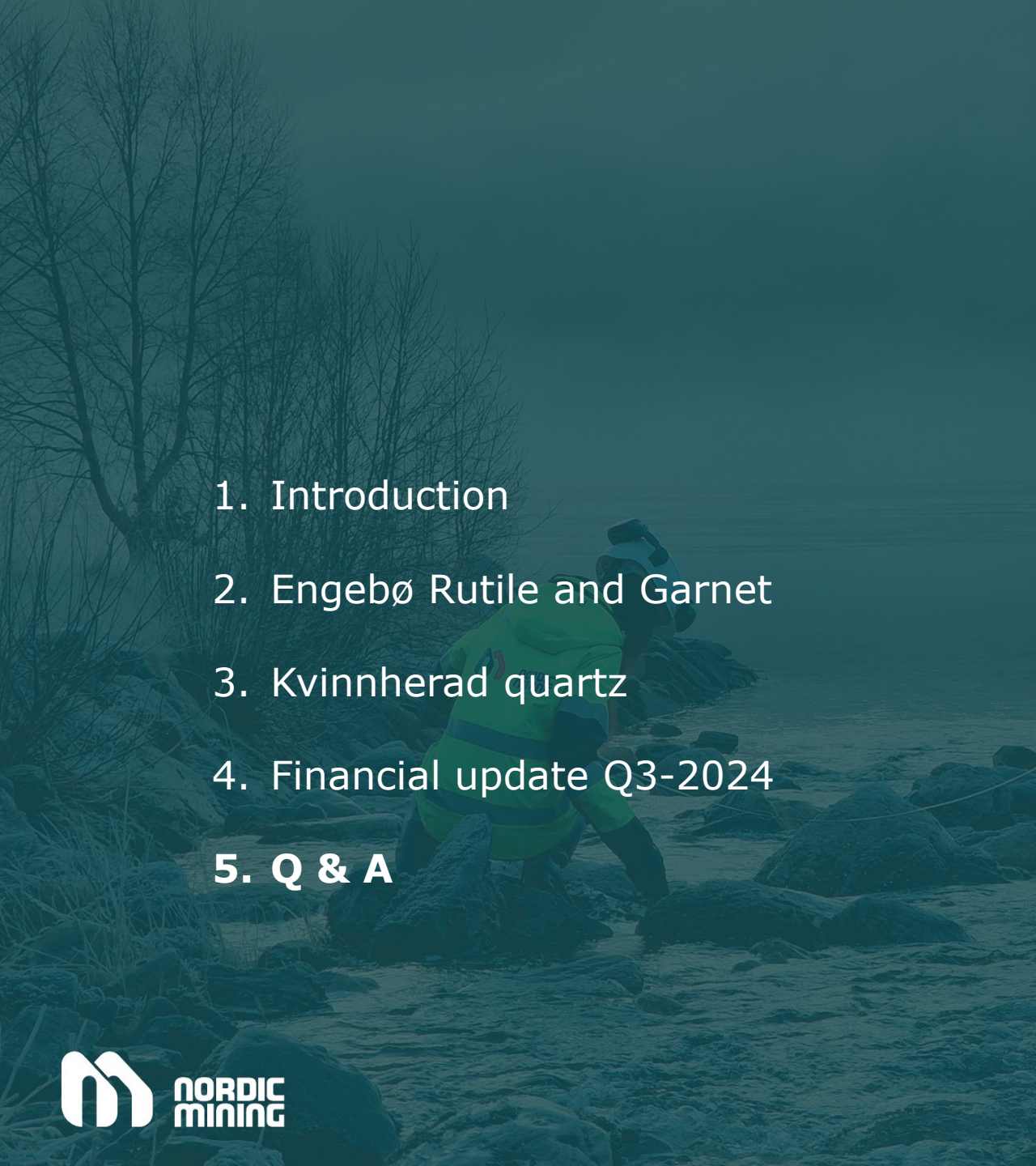
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~ NOK 2.6 billion invested in Engebø Project

- Engebø construction expenditures of NOK 278 million capitalized on the balance sheet in Q3.
 - NOK 26 million moved from Mine under construction to Property, plant and equipment in Q3.
- Engebø project is now fully financed until positive cash flow.
 - With the third and final release of USD 48 million under the bond escrow in August, the bond is now fully drawn.
- The Group has a solid source of funding available for the project:
 - NOK 586 million in cash and cash equivalents at quarter-end, whereof NOK 490 million in Engebø.
- The Group maintain the guiding from previous quarters that the estimated remaining project reserve is USD 25 million, to cover minimum liquidity requirement of USD 15 million and unexpected costs.
- Application for admission to trading on Euronext Oslo Børs has been filed.

For details, see full interim report on <https://www.nordicmining.com/>

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- A person wearing a high-visibility green safety suit and a white hard hat is working in a rocky stream. The person is crouching and appears to be examining the rocks. The background shows a dense forest of bare trees.
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Appendix

Consolidated income statement

<i>NOK million</i>	Q3 2024	Q2 2024	Q3 2023	YTD 2024	FY 2023
Other income	-	-	-	-	-
Payroll and related costs	(2.6)	(1.8)	(4.9)	(7.2)	(15.1)
Depreciation and amortization	① (0.7)	(0.4)	(0.1)	(1.2)	(0.3)
Other operating expenses	(11.5)	(10.5)	(8.4)	(19.2)	(31.0)
Operating profit/(loss)	(14.8)	(12.7)	(13.4)	(27.7)	(46.5)
Fair value gains/losses on convertible loan	-	-	-	-	3.4
Net exchange rate gain/loss (-)	20.2	18.9	0.6	(7.3)	25.9
Financial income	5.1	4.6	4.8	16.5	26.1
Financial costs	(0.4)	(0.5)	(0.2)	(2.1)	(55.0)
Profit/(loss) before tax	10.0	10.3	(8.3)	(20.5)	(46.1)
Income tax	-	-	-	-	-
Profit/(loss) for the period	10.0	10.3	(8.3)	(20.5)	(46.1)

① Depreciation increased due to activation of Engebø administration building in Q2 2024 and maintenance workshop in Q3 2024.

- Main financial items in Q3:
- net gain on foreign exchange related to the bond, the bond escrow and the royalty liability of NOK 29.0 million
- net gain on foreign exchange derivatives of NOK 0.3 million.
- net loss on foreign exchange related to bank accounts and payables of NOK -9.2 million
- interest income on cash held of NOK 5.1 million
- transaction costs from financing of NOK 0.4 million
- Borrowing costs on bond loan and royalty liability, net of interest on bond Escrow, has been capitalized under Mine under construction, in total NOK 171.2 million in the year to date.

Appendix

Consolidated statement of financial position

<i>NOK million</i>		Q3 2024	Q2 2024	YE 2023
Mine under construction	①	2 515.8	2 264.1	1 377.1
Property, plant and equipment		80.0	46.2	3.1
Right-of-use assets		0.8	0.8	1.0
Total non-current assets		2 596.5	2 311.1	1 381.2
Trade and other receivables		71.4	46.0	30.6
Spare parts inventory		4.2	0.0	0.0
Bond Escrow		0.0	508.5	1 075.0
Restricted cash		12.6	12.6	8.4
Cash and cash equivalents	②	586.3	408.6	635.0
Total current assets		674.6	975.7	1 749.0
TOTAL ASSETS		3 271.2	3 286.8	3 130.2
Total equity		1 507.0	1 497.0	1 529.0
Lease liabilities		0.3	0.3	0.5
Bond loan	③	952.9	960.7	902.2
Royalty liability		614.1	594.1	517.6
Pension liabilities		0.2	0.5	0.2
Total non-current liabilities		1 567.4	1 555.6	1 420.4
Trade payables		46.3	70.6	94.3
Other current liabilities		150.5	163.7	86.5
Total current liabilities		196.8	234.3	180.8
Total liabilities		1 764.2	1 789.9	1 601.2
TOTAL EQUITY AND LIABILITIES		3 271.2	3 286.8	3 130.2

- ① • Engebø construction works of NOK 278 million capitalized on balance sheet in Q3 2024, down from NOK 385 million in Q2 2024.
- The combined carrying amount of Mine under construction and PPE as of Q2 of NOK 2.6 billion.
- ② • Cash balance of NOK 586 million, of which NOK 490 million in Engebø Rutile and Garnet AS.
- ③ • Bond loan and royalty liability measured at amortized cost using the effective interest method.