



Minerals for a sustainable future



OAX: NOM

**NORDIC
MINING**

Q1 2019 presentation

Oslo, 10 May 2019

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1. Introduction
2. Financial update
3. Engebø Rutile and Garnet
4. Keliber Oy Lithium
5. Q & A



Highlights

- Record group profit due to value increase in NM's Keliber asset
- All major test works completed for Engebø
- Engebø DFS progressing into the final phase
- Engebø garnet performs in line with premium products
- Positive market outlooks



Close to construction of two strategic assets

Engerbø Rutile and Garnet (100%)

- Large resource base
- Long term industrial partners
- First European producer of garnet
- Post tax NPV of USD 305m



Keliber – Lithium hydroxide (18.5%)

- First European producer
- Large resource potential
- Scalable production configuration
- Post tax NPV of USD 431m



Engerbø Rutile and Garnet

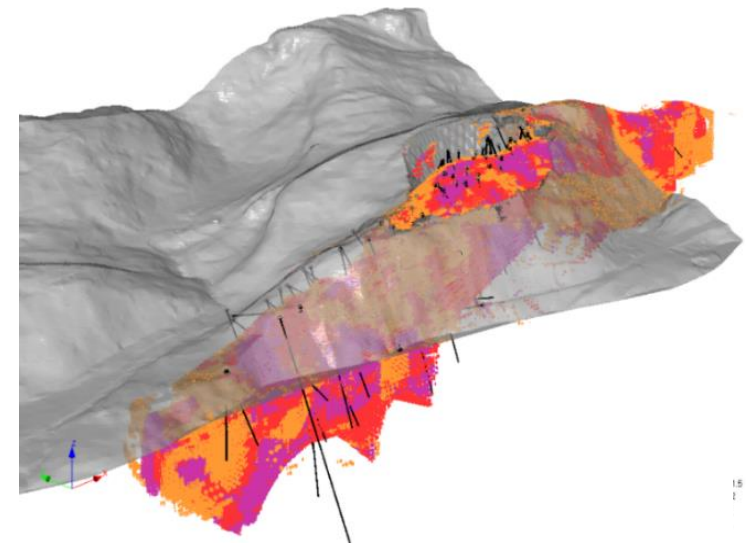
Large outcropping deposit,
next to tidal waters

Unique mineral properties,
solid market fundamentals

Minimum ore haulage,
effective mining concept

Robust project economics,
short payback period

Environmental permit granted
International offtake partners



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Consolidated income statement

	Q1-2019	Q1-2018
<i>(Amounts in NOK million)</i>	Unaudited	Unaudited
Sales	-	-
Payroll and related costs	(4,3)	(1,9)
Depreciation and amortisation	-	-
Other operating expenses	(10,9)	(10,1)
Operating profit/(loss)	(15,2)	(12,1)
Share of result of an associate	(0,8)	(1,5)
Gain/(loss) on investments	97,9	-
Other financial items	-	(0,1)
Profit/(loss) before tax	81,9	(13,7)
Income tax	-	-
Profit/(loss) for the period	81,9	(13,7)

- Operating loss reflects the cost of ongoing DFS activities
- Gain on investment of NOK 98m due to reclassification of Keliber
- Valuation based on recent share issue in Keliber which implies a value of EUR 63m for Keliber Oy



Consolidated statement of financial position

	31.03.2019	31.12.2018
<i>(Amounts in NOK million)</i>	Unaudited	Audited
ASSETS		
Evaluation and exploration assets	25,7	25,6
Property, plant & equipment	0,4	0,2
Financial assets	113,1	-
Investment in associate	-	21,3
Total non-current assets	139,2	47,1
Cash and equivalents	35,3	49,9
Other current assets	2,6	2,5
Total current assets	38,0	52,4
Total assets	177,2	99,6
SHAREHOLDERS' EQUITY & LIABILITIES		
Total equity	166,5	89,5
Non-current liabilities	1,0	0,9
Current liabilities	9,7	9,2
Total liabilities	10,7	10,0
Total equity and liabilities	177,2	99,6

- Shareholding in Keliber reclassified from associate to financial asset
- Equity increased to NOK 167m due to the profit in Q1 2019
- Cash and equivalents of NOK 35m
- No interest bearing debt



Financing plan

- Capital requirement to complete Engebø DFS; approx. NOK 40m
- Completion of DFS represents a key milestone for de-risking of the Engebø project and will form the basis for further financing
- Key options under assessment:
 - Divestment
 - Strategic investor/offtake partners
 - Private placement
 - Rights issue
- Capital requirement through FEED to construction; approx. NOK 50m
- Construction financing
 - In January 2019, Nordic Mining entered into an agreement with Northcott Capital Ltd for provision of financial advisory services for debt financing
 - Preparatory work ongoing
 - Offtake partners intend to participate with a substantial portion of the financing



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Project development – DFS in final phase

All major process test work completed

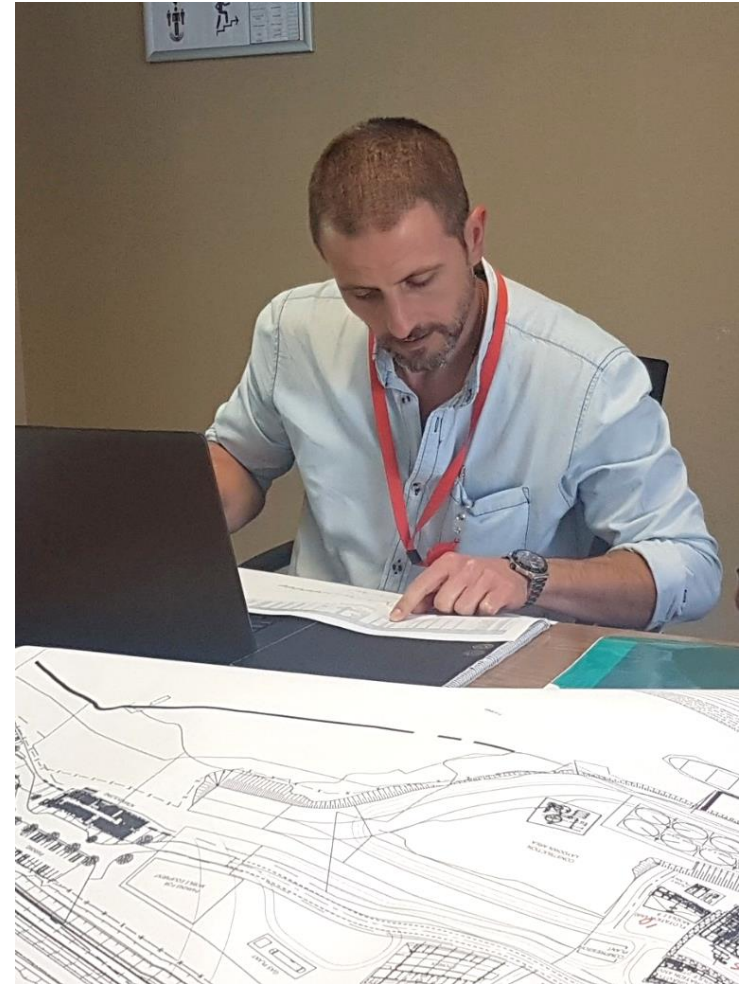
Engineering progressing on all working areas

Requests for Quotation (RFQ) ongoing

Regulation plans for minesite and water supply released for public hearing

Engerbø garnet performance tests completed

Offtake discussions progressing



Major test work completed

- Test work programs completed:
 - Bulk program
 - Validation program
 - Variability program
- Flow sheet optimized with regard to rutile and garnet



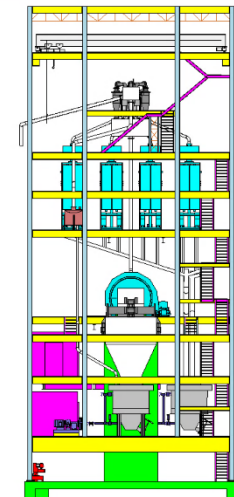
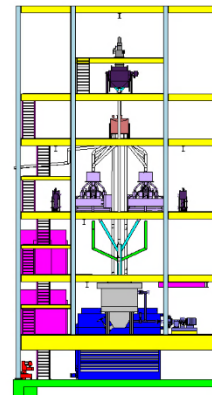
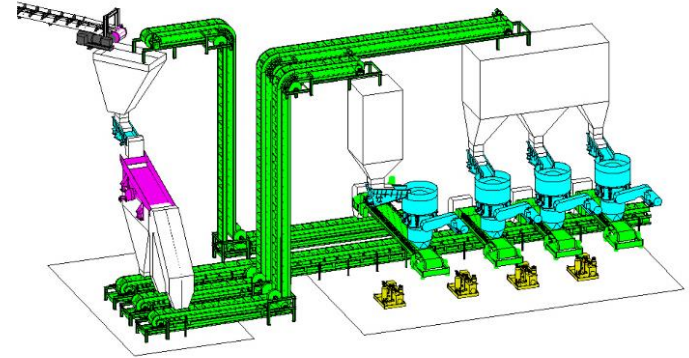
Product performance tests

- Product tests of garnet carried out with full scale water jet cutting equipment
- Engebø garnet products performs in line with premium products on market
- Rutile product samples to be analysed by offtakers



Engineering is progressing in all working areas

- Process flow diagrams and P&IDs generated
- 3D modelling of underground crushing chamber, service area and haul roads completed
- 3D modelling of process modules commenced
- Detailed specifications of equipment packages in final stage
- Initial construction schedule developed
- Engineering for DFS completed for local infrastructure:
 - County road
 - Supply of renewable hydro power
 - Fresh water system



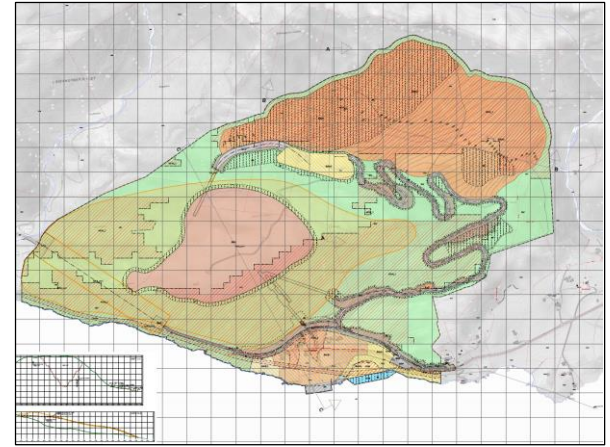
Procurement

- Requests for Quotation are being issued to potential suppliers
- Majority of RFQs in the market by end of Q2
- Regional and international suppliers



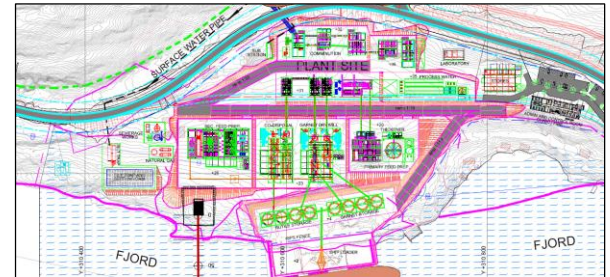
Regulation plans on public hearing

- The zoning plan for fresh water pipeline has been sent on hearing in two municipalities, Askvoll and Naustdal
- Detailed regulation plan for the mine site has been issued for hearing in the Naustdal municipality



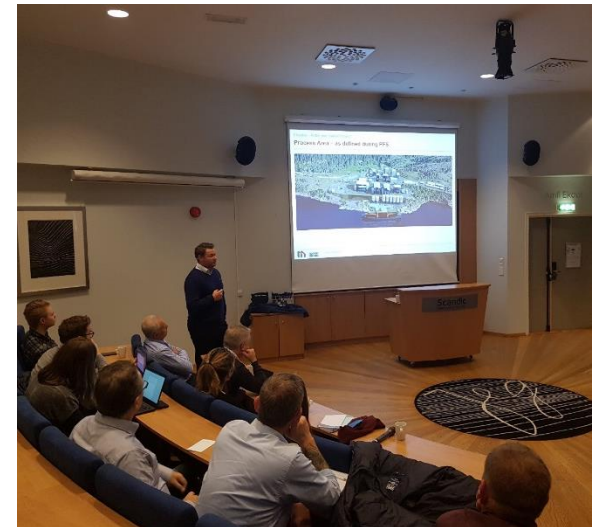
Process plant site layout optimized

- Logistics for modules installation simplified, improved flexibility
- Number of process modules reduced
- Process flow and product buffer capacity optimized
- Overall footprint reduced



Local stakeholder communication

- Meetings with local municipalities, political parties and politicians
- Project briefings with potential local vendors
- Participation at relevant regional conferences and business fora
- Site visits and presentations for students
- Engaging the local community in environmental monitoring
- Establishing a local, longterm cornerstone industry



DFS Progress overview

Activities 2019	Q1	Q2	Q3	Q4
Mining studies				
Mining optimization schedule				
Process testwork				
Engineering				
Procurement/RFQs				
Construction execution plan				
Capex estimate				
Opex estimate				
Risk management / QRA				
Final economic analysis				
DFS report				

Today



Offtake discussions progressing

Heads of agreement with Japanese trading house

Rutile



- Heads of Agreement for rutile offtake and financing
- Comprising offtake for the majority of the rutile production
- Intention to participate with a substantial portion of the construction financing
- Engebø rutile offer pure, high grade feedstock

Heads of agreement with the Barton Group

Garnet



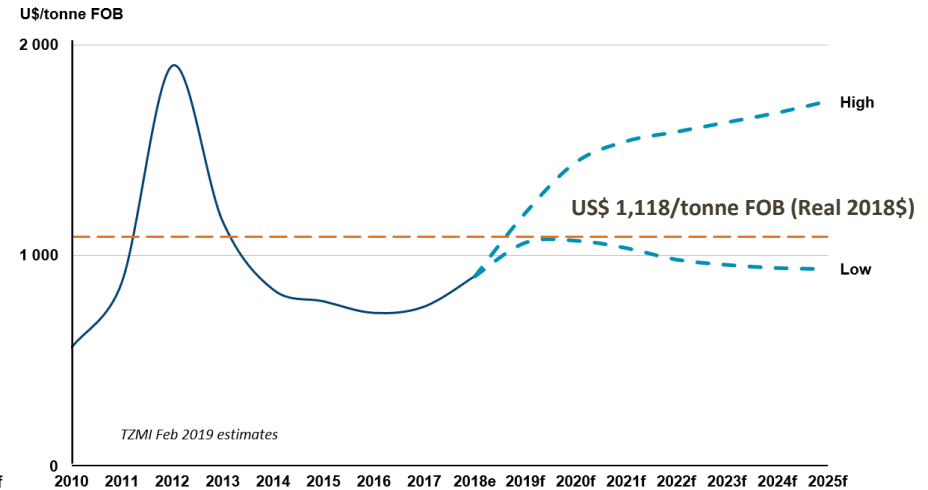
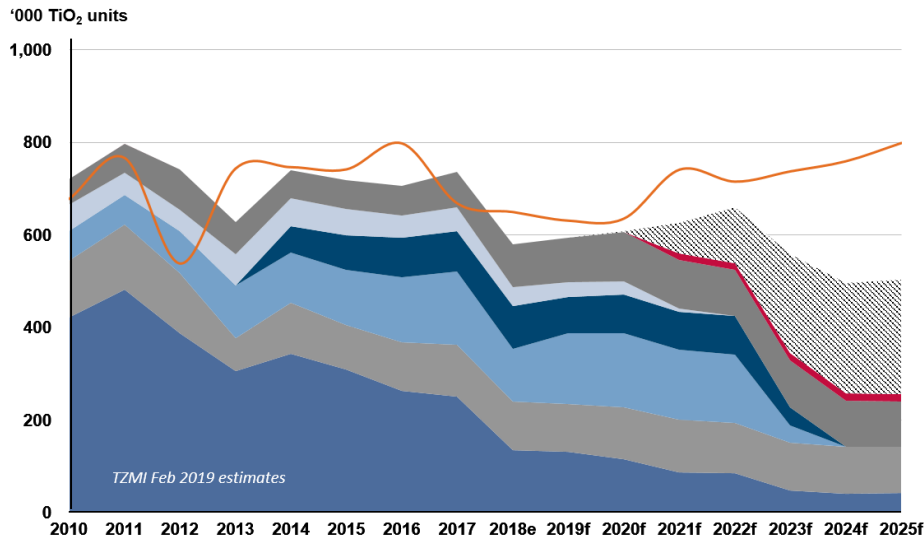
- Garnet to be distributed under Barton's brand name of high-quality products in North America
- JV for distribution of garnet to the European market
- Barton currently owns 3.6% of NOM shares
- Barton intends to participate as an anchor investor in the construction financing



Rutile prices forecasted to increase with growing demand

Global rutile demand has outpaced supply.....

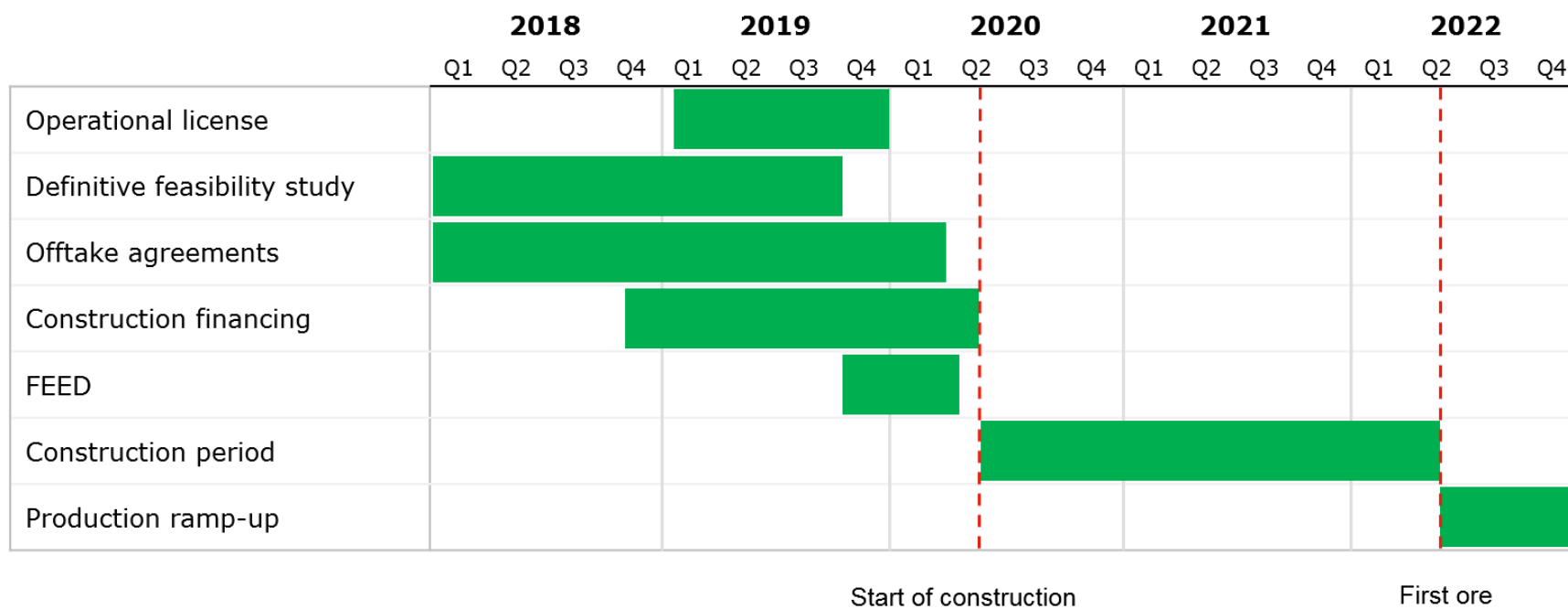
.....driving rutile prices up



- Likely new projects
- CIS
- South Africa
- Nordic Mining
- Kenya
- Australia
- Other
- Sierra Leone
- Underlying demand



Nearing construction and production

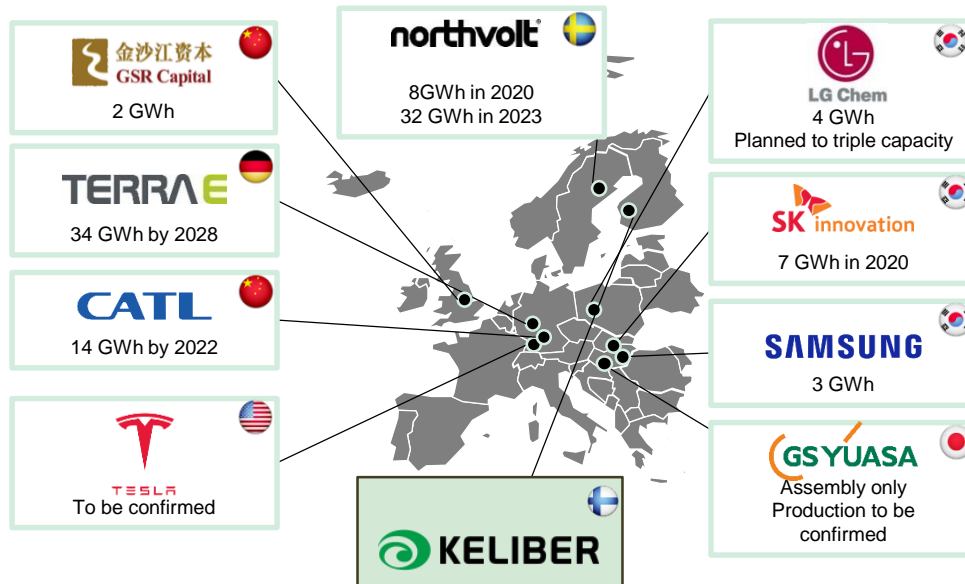


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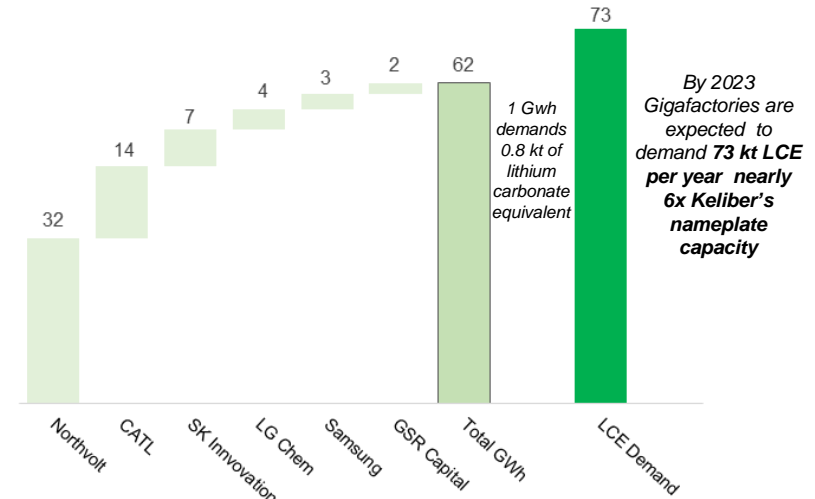


First producer of battery-grade lithium hydroxide in Europe

Lithium-ion gigafactories in Europe



Yearly demand from European gigafactories



Project progress

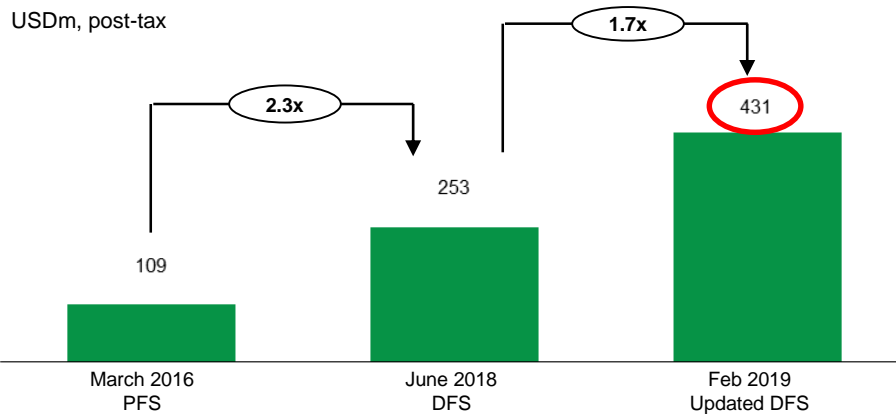
- Updated DFS published in February 2019
- Detailed engineering and tendering process ongoing
- Offtake discussions and financing preparations ongoing
- Target to start construction by end of 2019



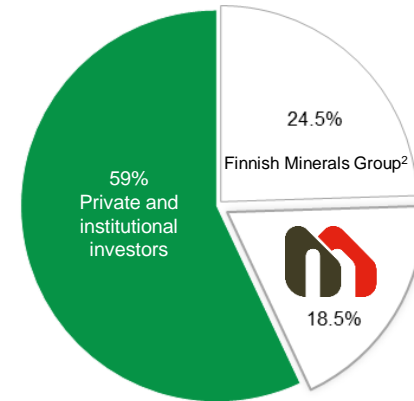
Solid project economics in updated DFS

Increased NPV by switching output to hydroxide

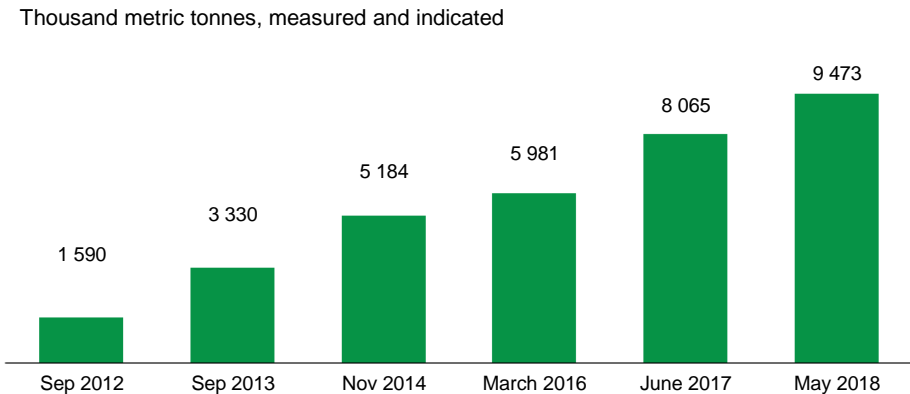
- Aiming to be the first European company to produce high-purity lithium hydroxide from its own ore
- Six deposits in one of the most significant lithium bearing areas in Europe
- Expected to sell ~12,000 tonnes of battery grade lithium hydroxide per year
- Updated DFS in Feb 2019 returned a post-tax NPV@8% of USD 432m and an IRR of 24 %
- The updated DFS shows the significantly improved project economics by lithium hydroxide production compared to the earlier carbonate production
- Project capex of USD ~352m to develop mine, concentrator and chemical plant



Keliber ownership as of April 2019



Development of mineral resources¹



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