



Minerals for a sustainable future



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**NORDIC
MINING**

Q3 2019 presentation

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Ivar S. Fossum
Birte Norheim

CEO
CFO



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1. Introduction
2. Financial update
3. Engebø Rutile and Garnet
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5. Q & A



Highlights

- Detailed regulation plan approved
- Application for operational license supported by local authorities
- DFS close to finalisation, presentation of main results in January 2020
- Construction financing preparations commenced



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Consolidated income statement

	Q3-2019	Q2-2019	Q3-2018
<i>(Amounts in NOK million)</i>	Unaudited	Unaudited	Unaudited
Sales	-	-	-
Payroll and related costs	(4,2)	(3,0)	(3,1)
Depreciation and amortisation	-	-	-
Other operating expenses	(17,1)	(17,6)	(14,3)
Operating profit/(loss)	(21,3)	(20,7)	(17,5)
Share of result of an associate	-	-	(1,7)
Gain/(loss) on investments	2,4	0,4	-
Other financial items	(0,2)	(0,2)	-
Profit/(loss) before tax	(19,1)	(20,5)	(19,2)
Income tax	-	-	-
Profit/(loss) for the period	(19,1)	(20,5)	(19,2)

- Operating loss reflects the cost of ongoing DFS activities
- Valuation for Keliber on the same basis as prior quarter
 - Based on February share issue which implied a value of EUR 63m for Keliber Oy
 - Gain on investments relates to currency effects



Consolidated statement of financial position

	30.09.2019	30.06.2019	31.12.2018
<i>(Amounts in NOK million)</i>	Unaudited	Unaudited	Audited
ASSETS			
Evaluation and exploration assets	26,0	25,8	25,6
Property, plant & equipment	0,4	0,4	0,2
Financial assets	115,9	113,5	-
Investment in associate	-	-	21,3
Total non-current assets	142,3	139,7	47,1
Cash and equivalents	17,3	42,5	49,9
Other current assets	3,1	2,2	2,5
Total current assets	20,4	44,7	52,4
Total assets	162,7	184,4	99,6
SHAREHOLDERS' EQUITY & LIABILITIES			
Total equity	152,6	171,6	89,5
Non-current liabilities	0,8	1,0	0,8
Current liabilities	9,3	11,8	9,2
Total liabilities	10,1	12,8	10,0
Total equity and liabilities	162,7	184,4	99,6

- Financial asset comprise investment in Keliber Oy
- Cash and equivalents of NOK 17.3m
- Rights issue with gross proceeds of NOK 35m executed in October; not included in Q3 figures
- No interest bearing debt



Financing

Rights issue

- Rights issue of 25,000,000 shares at a subscription price of NOK 1.40 per share and gross proceeds of NOK 35 million successfully completed in October
- Solid participation from existing shareholders; approx. 51% oversubscription
- The main purpose of the rights issue was to finance the continued development of the Engebø rutile and garnet project through the completion of the DFS and into the Front-End Engineering and Design (FEED) phase

Construction financing

- Completion of DFS will represent a key milestone for de-risking of the Engebø project and form the basis for further financing
- Preparatory work commenced
 - Debt advisor appointed
 - Initial meetings with banks and guarantors in Norway and Europe
 - Banks' due diligence activities commenced
- Offtake partners intend to participate with substantial portion of the financing



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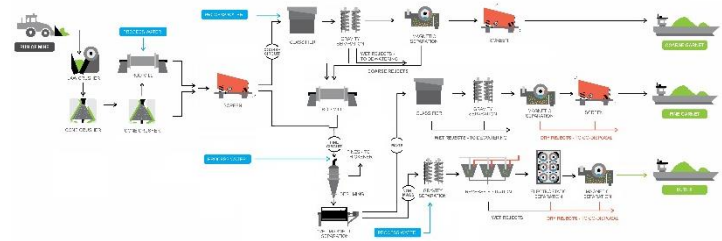
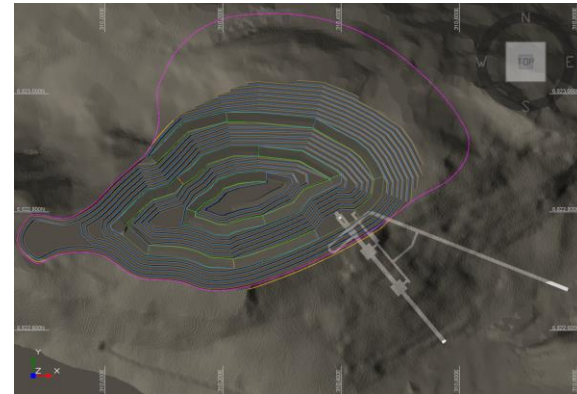
Project development highlights

Open pit resources increased

Final testing of crushing technology completed

Improved mineral recoveries

Assessment of quotations ongoing



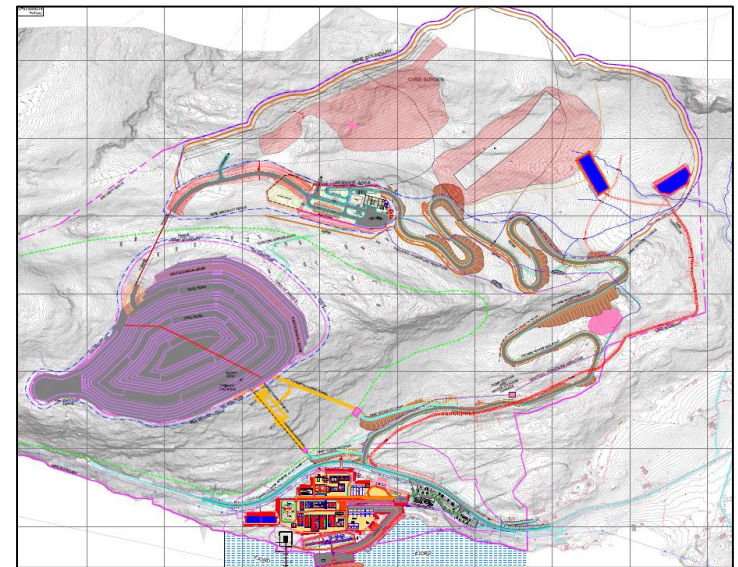
Regulation and permits

Land regulation:

- Detailed regulation approved by Naustdal municipality in August
- Regulation of water pipeline expected in the near future

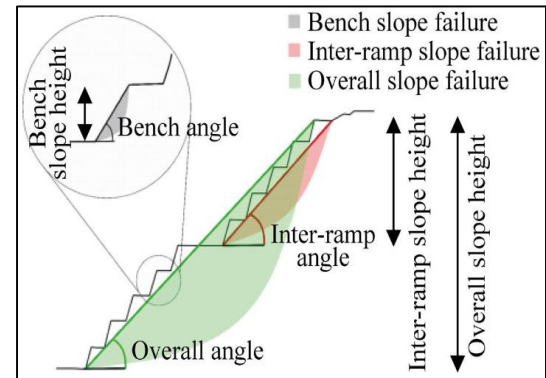
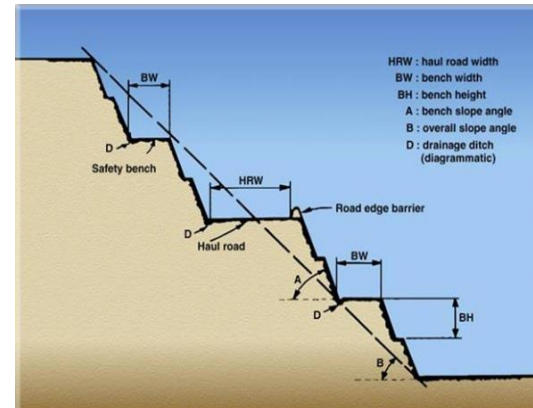
Operational License:

- Askvoll municipality supported the application in council 18 September
- Naustdal municipality supported the application in council 26 September
- Sunnfjord municipality supported the application in council 12 November
- Approval by the Directorate of Mining is expected in Q1 2020

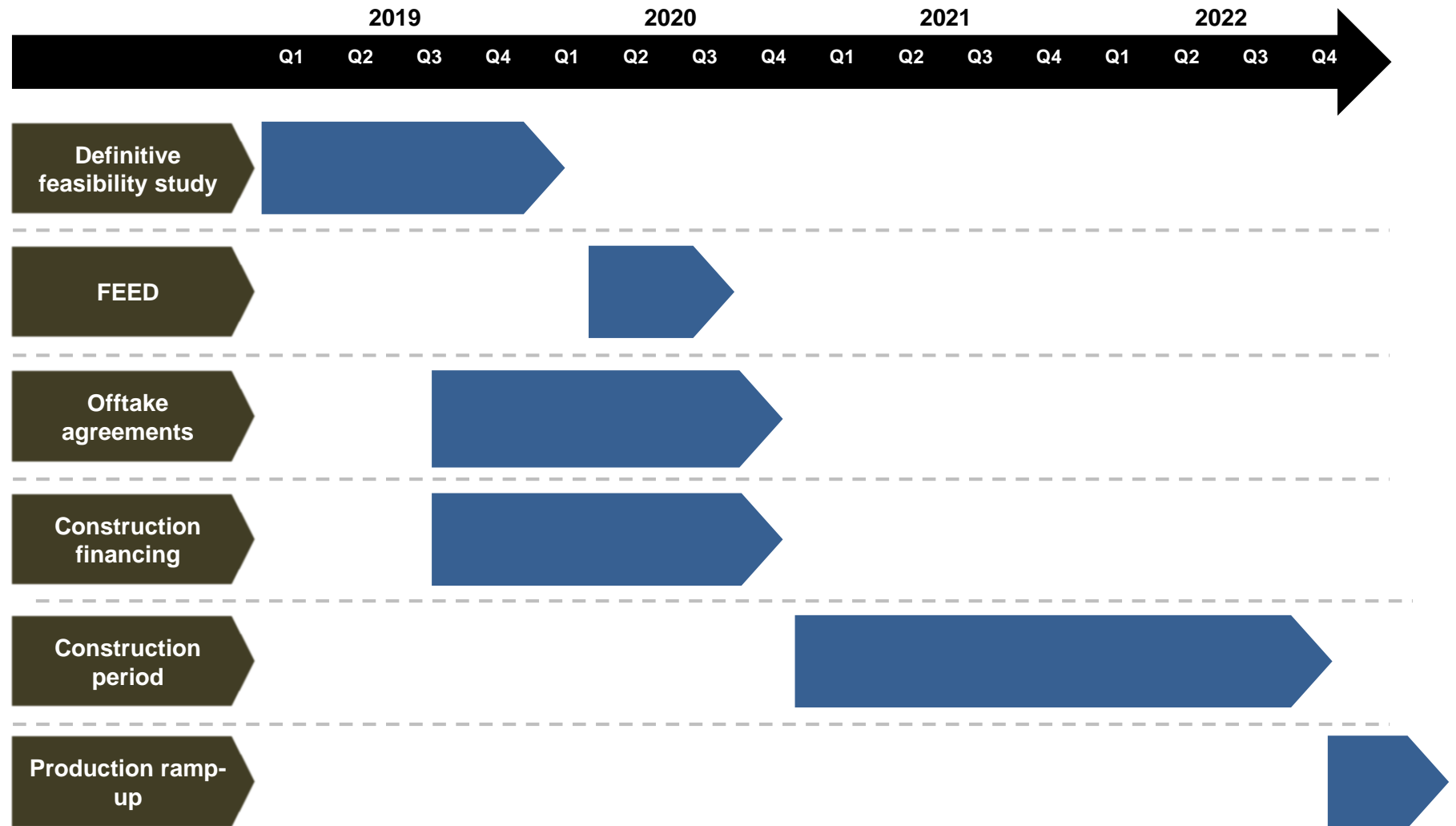


Core elements of the operational license

- Operational scope
- Methodology of mining
- Safety of operations
- Resource utilization
- Rehabilitation



Timeline towards production



Environmental and social responsibility

- Health and Safety
- Community engagement
- Gender equality and diversity
- Climate action
- Sustainable use of marine and terrestrial ecosystems

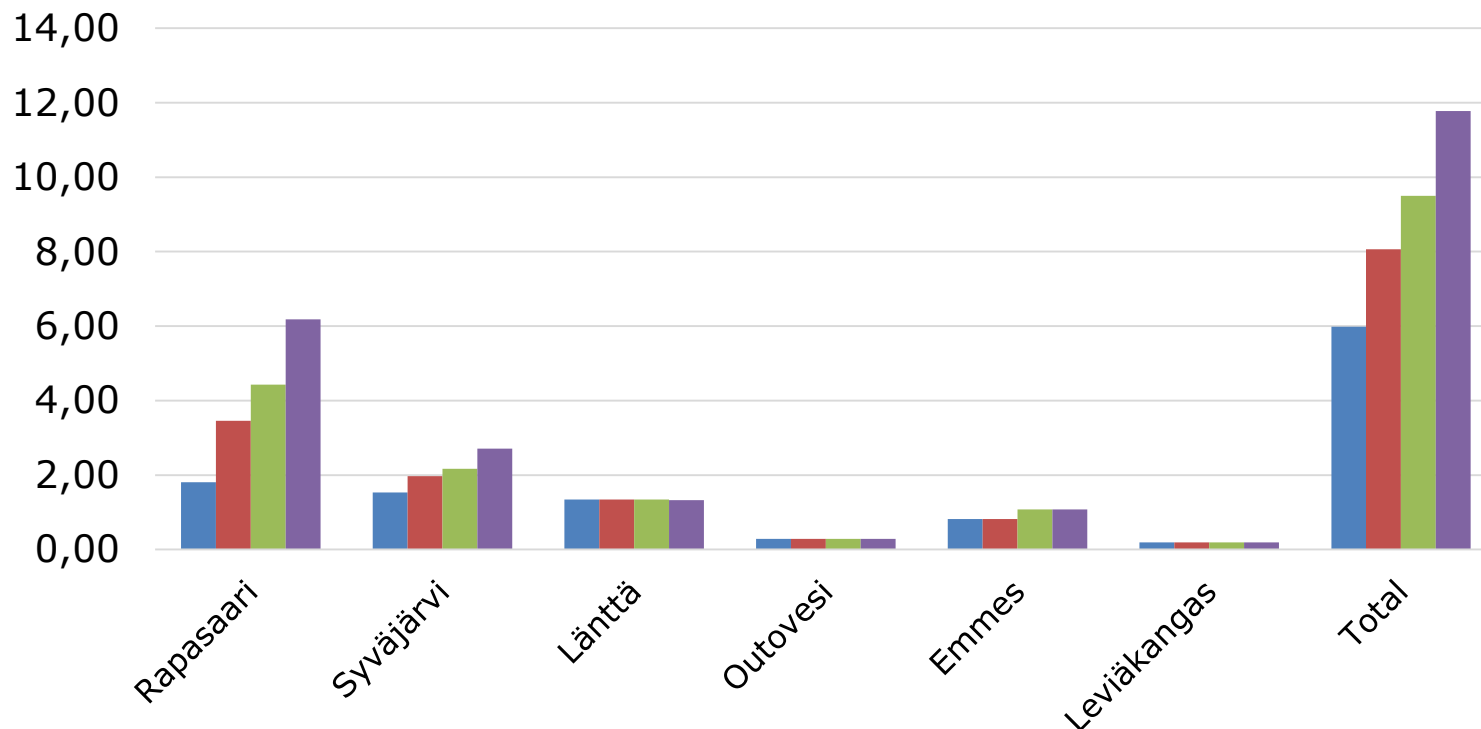


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Continuous increase of the resource base

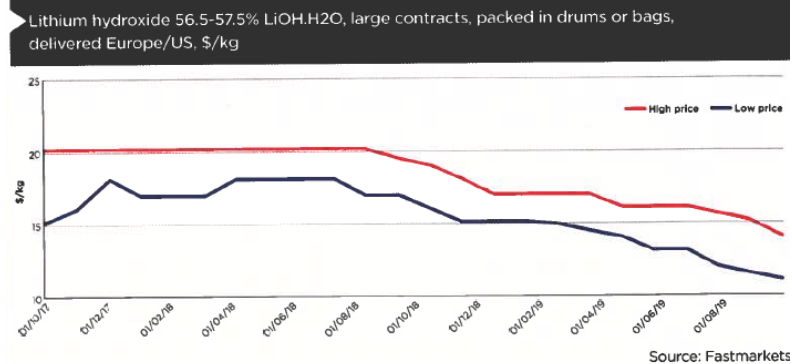
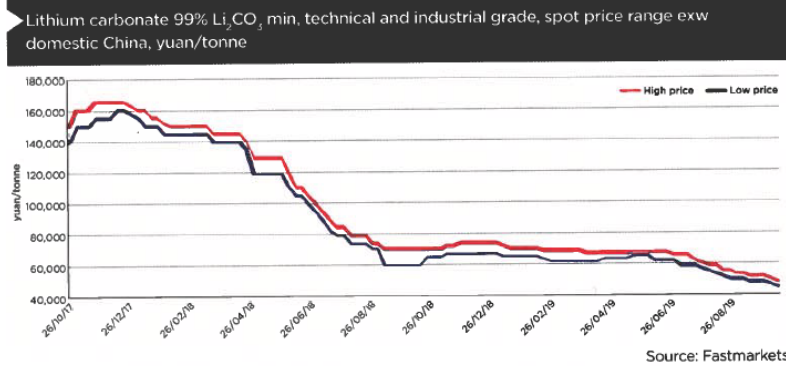
Measured and Indicated Mineral Resources



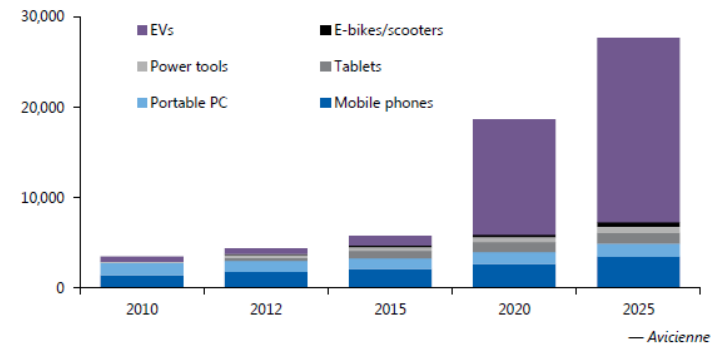
- Almost doubling since the 2016 PFS; 24% increase from 2018
- Rapasaari resource estimates updated in September with about 40% increase



Temporary market decline for lithium products; long term fundamentals unchanged



Forecast li-ion battery demand by sector, 2010-25mn cells



- European battery production capacity is increasing
- Hydroxide expected to be the dominant lithium chemical for batteries

- Electrification of transportation (vehicles, ships and possibly also airplanes) and energy storage capacity build-up have just started
- Market balance and product prices expected to recover by early to mid-2020s



Permitting uncertainty and technical clarifications

- Keliber's ongoing permitting activity relates to:
 - Syväjärvi deposit
 - Rapasaari deposit
 - Kalavesi concentrator plant
 - Kokkola chemical plant
- Permitting timelines are uncertain due to possible appeals
- Keliber has identified technical and environmental factors that need to be further assessed and planned
- Keliber estimates that construction can start in 2021, provided sufficient clarification of permits and technical design



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