



**NORDIC
MINING**

INTERIM REPORT Per 31 March 2020



Minerals for a sustainable future

Nordic Mining ASA ("Nordic Mining" or the "Company") is a resource company with focus on high-end industrial minerals and metals. The Company's project portfolio is of high international standard and holds significant economic potential. The Company's assets are in the Nordic region.

Nordic Mining is undertaking a large-scale project development at Engebø on the west coast of Norway where the Company has rights and permits to a substantial eclogite deposit with rutile and garnet. Nordic Mining also holds 16.3% of the shares in Keliber Oy, which is developing a lithium project in Finland to become the first European producer of battery grade lithium hydroxide.

In addition, Nordic Mining holds interests in other initiatives at various stages of development. This includes patented rights for a new technology for production of alumina and exploration of seabed minerals.

Nordic Mining is listed on Oslo Axess with ticker symbol "NOM".

Group interim report for the quarter ended 31 March 2020

Important events in the first quarter of 2020 and year to date:

CORPORATE

Adequately financed well into 2021

In January 2020, Nordic Mining completed an equity issue with gross proceeds of NOK 57.4 million (ref. note 4). Due to the significant uncertainties in the global and national economies imposed by the Coronavirus pandemic, the Company will progress project development activities for the Engebø project cautiously and strategically with a focus on conservation of funding and retaining flexibility.

Nordic Mining has no interest-bearing debt and is adequately financed well into 2021 based on current forecasts and adjusted work plans.

ENGEBØ RUTILE AND GARNET PROJECT (100% ownership)

Results of the definitive feasibility study published in January 2020

In January 2020, the Company published the results of the definitive feasibility study (DFS) for the Engebø project. The updated study reinforces Engebø as a world class rutile and garnet project and outlines the execution plan for the project. The main results presented in the updated DFS were:

- Pre-tax NPV@8% USD 450 million
- Pre-tax IRR 21.9%
- Post-tax NPV@8% USD 344 million
- Post-tax IRR 19.8%
- Average annual free cashflow first 15 years of USD 70 million
- Net operating cashflow (undiscounted) of USD 2,160 million
- Initial capex of USD 311 million and deferred capex of USD 25 million (underground)
- Pay-back period < 5 years

Coronavirus uncertainties necessitate project re-assessment

Due to uncertainties in the global and national economies imposed by the unprecedented Coronavirus pandemic, the Company will adjust progress plans and review the Engebø project further with the purpose to increase the resilience to altered market conditions. Although forecasting under the current circumstances is extremely difficult, the Company assumes that the economic recovery from the pandemic crisis will be slow and that the economic aftermath may be more substantial than previously experienced.

The Company's adjustments imply that the FEED (front-end engineering and design) and project financing activities will be delayed and not implemented as initially planned. The project review will specifically include garnet market assessments following from Barton's withdrawal as an offtake partner as informed to Nordic Mining in February 2020. Because of the revised activities, the time schedule for construction will be affected.

Sustainability at the core of the strategy

As part of the DFS, a comprehensive plan has been made to develop an environmental and social management system to ensure environmental and social issues are managed in accordance with the Group's standards, permits and Norwegian regulations. This includes i.a. advanced environmental monitoring programs to ensure adherence to permits and to mitigate environmental effects.

Dialogue regarding rutile offtake

In January 2019, Nordic Mining signed a Heads of Agreement with a Japanese trading house relating to long-term offtake for rutile and participation with a substantial portion of the construction financing for the project. The dialogue between the parties proceeds constructively targeting to finalize the terms and conditions for an offtake agreement to secure future cashflows and strengthen the ability to provide financing for the project.

Operating license expected before the summer

The public hearing process regarding the application for operating license for the Engebø project ended in the fall of 2019. The previous Askvoll and Naustdal municipalities, as well as the new Sunnfjord municipality, support the application. Nordic Mining expects a license approval from the Directorate of Mining in the first half of 2020. The operating license will regulate operational scope, methodology and procedures to secure safe and efficient production of the mineral resources.

KELIBER LITHIUM PROJECT (16.3% ownership)

Valuation of Nordic Mining's investment confirmed

In March 2020, Keliber raised EUR 5.8 million from existing shareholders to finance ongoing development work and other pre-construction activities (ref. note 3). Following the share issue, Nordic Mining was diluted from 18.5% to 16.3% ownership. The implied value as per 31 March 2020 confirms Nordic Mining's book value of the investment.

Ongoing project update and review

Keliber's updated DFS for the lithium project was presented in February 2019 based on production of lithium hydroxide. Since then, and regardless of the Coronavirus pandemic, the global lithium market has softened due to weak spot prices. Although the long-term outlook is positive, it is difficult to foresee how the lithium market will develop in the next couple of years.

During the fourth quarter 2019, Keliber made several positive announcements including increased mineral resource and ore reserve estimates and improved processing recovery rates resulting from a comprehensive continuous pilot test program. However, it also announced that the lithium project will be delayed by at least one year compared to previous estimates. The softer market situation has adversely impacted Keliber's progress on securing offtake directly as well as driven down the general market sentiment/valuation.

Keliber continues to advance the lithium project in various fields including technical planning, permitting, ore potential and financing. This also includes activities to optimize the business case compared with the updated DFS published in February 2019.

FINANCIAL PERFORMANCE

Unless other information is given, numbers in brackets for comparison relate to the corresponding period in 2019.

The Group is in the definitive feasibility phase of the Engebø project and has, so far, no sales revenues from its operation. The high activity level related to completion of the DFS and related development activities were the main drivers for the operating loss in the first quarter of NOK -17.0 million (NOK -15.2 million).

In March 2020, Keliber completed a share issue directed towards existing shareholders with total gross proceeds of EUR 5.8 million at a subscription price of EUR 33 per share which implies a post-money value of Keliber of EUR 48.4 million (ref. note 3). Following the share issue in Keliber, Nordic Mining was diluted from 18.5% to 16.3% ownership. As per 31 March 2020, the Group has reassessed the value of Keliber based on the value implied by the share issue, and the value of Group's investment has been adjusted accordingly. The impact in the first quarter is a gain on the investment of NOK 18,000 (NOK 97.9 million, ref. note 3).

The total net result for the Group in the first quarter was NOK -16.8 million (NOK 81.9 million).

Cash flow from the Group's operating activities in the first quarter was NOK -16.1 million (NOK -14.4 million). Net cash used in investment activities in the first quarter was NOK -0.1 million (NOK -0.1 million). The Group's investments relate to license costs for the Engebø deposit.

In January 2020, Nordic Mining completed an equity issue with gross proceeds of NOK 57.4 million (ref. note 4). Net cash flow from financing activities in the first quarter was NOK 54.2 million (NOK 0) arising from the share issue. The Group's cash balance at 31 March 2020 amounted to NOK 68.7 million (NOK 35.3 million). Based on current forecasts and adjusted work plans, the Group is adequately financed well into 2021.

Nordic Mining's total assets as of 31 March 2020 were NOK 191.1 million (31.12.2019: NOK 152.4 million), and the Group's total equity amounted to NOK 181.4 million (31.12.2019: NOK 143.8 million). The Group has no interest-bearing debt and an equity ratio of approximately 95% (94%).

MAIN PROJECTS AND ACTIVITIES

Engerbø rutile and garnet project (100% ownership)

General project information

The Engerbø deposit is one of the largest unexploited rutile deposits in the world and 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 Company published the results of the definitive feasibility study for the Engerbø project in January 2020; ref. information below. The study reinforces Engerbø as a world class rutile and garnet project and outlines the plans for execution of the project.

The Engerbø project will be developed in accordance with high international standards for environment, health and safety. Regional hydro power will supply the process plant with renewable energy. The deposit has a favourable location next to a deep-water quay and with efficient shipping/logistics to European and overseas markets. This limits the project's physical footprint and reduces adverse environmental effects.

As part of the DFS, a comprehensive plan has been made to develop an environmental and social management system (ESMS) to ensure environmental and social issues are managed in accordance with the Group's standards, permits and Norwegian regulations. ESMS and supporting programs, will be developed and adapted as part of the operational readiness work. Advanced environmental monitoring programs, using state of the art technologies, will be put in place to ensure adherence to permits and to mitigate environmental effects.

The Engerbø deposit will be developed as a dual mineral operation with production and sale of high-quality rutile and garnet. The business concept provides efficient resource utilization, risk reduction, attractive and robust economics, and valuable future expansion opportunities. The substantial inferred mineral resource highlights the potential for expansion and/or extension of project mine life.

Due to uncertainties in the global and national economies imposed by the unprecedented Coronavirus pandemic, the Company will adjust progress plans and review the Engerbø project further with the purpose to increase the resilience to altered market conditions. Although forecasting under the current circumstances is extremely difficult, the Company assumes that the economic recovery from the pandemic crisis will be slow and that the economic aftermath may be more substantial than previously experienced.

The Company's adjustments imply that the FEED (front-end engineering and design) and project financing activities will be delayed and not implemented as initially planned. The project review will specifically include garnet market assessments following from Barton's withdrawal as a garnet offtake partner as informed to Nordic Mining in February 2020. Because of the adjustments and project re-assessments, the time schedule for construction will be affected.

Mineral resource and ore reserve estimates

The following tables provide an overview of the mineral resource and ore reserves estimates respectively, both at 2% TiO₂ cut-off grade and the ore reserves as presented in the DFS by Competent Person Adam Wheeler.

Mineral resource estimate

TiO₂ Cut-off	Classification	Tonnes (Mt)	Total TiO₂ (%)	Garnet (%)
2%	Measured	29.2	3.60	44.5
	Indicated	104.0	3.48	43.9
	Total – Measured and Indicated	133.2	3.51	44.0
	Inferred	254.1	3.15	41.3

Ore reserve estimate

Open Pit	Tonnes (Mt)	TiO ₂ Grade (%)	Garnet Grade (%)
Proven	21.07	3.54	43.8
Probable	13.18	3.29	43.3
Total Open Pit	34.26	3.45	43.6
Underground			
Proven	2.35	3.34	39.2
Probable	26.49	3.21	38.7
Total Underground	28.85	3.22	38.7
Grand Total	63.10	3.34	41.4

Definitive feasibility study completed

The results of the definitive feasibility study was published in January 2020. The complete summary report is available at the corporate website, and the key results are summarized in the following:

- Dual-mineral production of rutile and garnet in a combined, optimized process provides profitable and robust project financials:
 - Pre-tax NPV@8% USD 450 million
 - Pre-tax IRR 21.9%
 - Post-tax NPV@8% USD 344 million
 - Post-tax IRR 19.8%
- Strong cashflow and short payback support bankability:
 - Average annual free cashflow first 15 years of USD 70 million
 - Net operating cashflow (undiscounted) of USD 2,160 million
 - Initial capex of USD 311 million and deferred capex of USD 25 million (underground)
 - Pay-back period < 5 years
- Low production cost provides competitive strength:
 - Outcropping and geotechnically stable orebody
 - Low stripping ratio
 - High-grade rutile and garnet
 - Short distance and gravity driven ore transportation minimize transportation
 - Short distance and favourable logistics to main markets
 - 1st quartile revenue-to-cost position for rutile
- Optimized mining plan supports an initial 42 years project life with 1.5 mtpa run of mine operation:
 - 15 years of open pit mining and high-grade processing, and stockpiling of medium/low-grade ore
 - 19 years underground production
 - 8 years production with no mining costs based on stockpiled ore
 - Further project life extension possible based on substantial inferred resources
- Main permits granted; remaining regulatory permits in process:
 - Granted permits:
 - Extraction permits for the whole deposit
 - Landowner agreements for open pit, infrastructure and process plant areas
 - Detailed zoning plan for all operations for the life of mine
 - Environmental permit
 - Permits in process:
 - Operational license
 - Zoning plan for freshwater pipeline

- High environmental and social standards in accordance with IFC Guidelines and Equator Principles:
 - Environmental:
 - Low carbon footprint and limited land use due to tight project infrastructure, minimal internal transportation and accessible sea freight for transport to market
 - Renewable hydroelectric power as the main source of energy
 - Clean mining operation with no acid drainage and inert minerals
 - Social:
 - Cornerstone operation with 105 full-time employees
 - Substantial regional indirect benefits for supplier and services industries
 - Positive impacts on people's livelihood, education and work opportunities and cultural flourishing
 - Stakeholder engagement to ensure good dialogue with neighbours, communities and other interest groups

Permits and local planning

Nordic Mining holds all rights and permits necessary for its current operations related to the Engebø project. This includes extraction permits for rutile (state mineral) which, generally, also imply the right to extract garnet and possible other minerals (landowners' minerals) in connection with the rutile extraction. The zoning plan for the mining and processing areas, including detailed regulation plan, and the environmental permit for the project are fully granted.

The process for regulation of the water supply pipeline is ongoing, and a resolution from the municipalities is expected in the first part of 2020.

The public hearing process related to Nordic Mining's application for operating license ended in the autumn 2019. The previous Askvoll and Naustdal municipalities, as well as the new Sunnfjord municipality, support the application. The Directorate of Mining considers the application together with the input from the hearing process, and a license approval is expected in the first half of 2020. The operating license will regulate operational scope, methodology and procedures to secure safe and efficient production of the mineral resources.

Commercial outlook

Europe has a significant supply deficit of titanium feedstock, including rutile, and no garnet production. Supplies from Engebø represent a substantial opportunity for logistical optimization. The changes and turbulences in the global and national economies imposed by the Coronavirus pandemic represent, however, significant commercial uncertainties going forward

As a high-grade titanium feedstock, Nordic Mining expects rutile to be in relatively strong demand going forward. Further, the supply from existing rutile producers is expected to be continuously reduced in the coming years. This also includes the only existing rutile production in Europe from Ukraine. The long-term rutile price assumption in the DFS of USD 1,142 per tonne is based on the Australian consultancy company TZMI's estimates. The market price in the first quarter 2020, probably largely unaffected from possible Coronavirus impacts, has been reported in the range USD 1,200 – 1,225 per tonne.

The main applications for garnet are in waterjet cutting and sand blasting. Prices vary depending on quality and application. There is currently no production of garnet in Europe and the global supply of high-quality garnet for high-end applications has over the last years been short of the increasing demand. To a large extent, this is due to regulatory measures introduced by the Indian government, affecting a substantial part of the garnet production in India. It is uncertain when and to what extent Indian production will re-enter the market. Because of the Coronavirus pandemic, the demand for garnet could possibly be reduced both in the waterjet and blasting segments due to an expected lower global GDP growth. The blasting segment may additionally be affected from the recent substantial reduction in the oil price. How long these effects will prevail is currently difficult to overlook.

Offtake and participation in project financing

In January 2019, Nordic Mining signed a Heads of Agreement with a Japanese trading house relating to long-term offtake for rutile and participation with a substantial portion of the construction financing for the Engebø project. The dialogue between the parties proceeds constructively targeting to finalize the terms and conditions

for an offtake agreement to secure future cashflows and strengthen the ability to provide financing for the project.

For many years, Nordic Mining has had a constructive cooperation with the US garnet producer and distributor, Barton Group. In February 2020, Barton informed that they are not in a position to enter into an offtake agreement for garnet from the Engebø project under the terms set out in the Heads of Agreement entered into between the parties in 2017. Because of the terminated cooperation with Barton, Nordic Mining will strengthen its marketing efforts to secure garnet offtake.

Keliber Oy (16.3% ownership) – lithium hydroxide project

General project information

Keliber Oy is a Finnish company targeting to be the first producer in Europe of lithium hydroxide for the battery industry. The company has mining license for several lithium deposits as well as exploration permits and claims on other deposits in the Central Ostrobothnia region in Finland. Keliber completed an updated DFS for its lithium project in February 2019 and targets to be the first producer in Europe of battery-grade lithium hydroxide.

Keliber's project development is in accordance with high international standards for environment, health and safety. Lithium hydroxide is important in modern batteries and a vital material for the ongoing electrification of the transport sector to reduce CO₂ emissions.

Optimizing the business case

Keliber is currently reviewing various aspects of the lithium project. Due to the changes in end-product and production process to lithium hydroxide, additional technical and environmental assessment and planning are required. Further, updated market information for lithium indicated that further optimization of the time schedule was desired.

In November 2019, Keliber announced the results from a continuous pilot program on the Syväjärvi ore minerals processing which significantly improved the recovery and conversion rates from previous pilot-scale test work. The results exceeded the results applied in the updated DFS published in February 2019.

Keliber continues to advance the lithium project in various fields including technical planning, permitting, ore potential and financing. This also includes activities to optimize the business case. The implications on global economy and the demand for lithium chemicals imposed by the Coronavirus pandemic are currently uncertain.

Updated ore reserve

Over the last years, Keliber has consistently increased the resource base for the lithium project. In December 2019, the ore reserve estimate for the Rapasaari lithium deposit was updated. Following the update, the estimated proven and probable ore reserve totals 5.3 million tonnes with a grade of 1.07% Li₂O. This represents an increase of 50% compared to the previous estimate for Rapasaari.

Keliber's total proven and probable lithium ore reserves in accordance with the JORC code is currently 9.4 million tonnes with a grade of 0.98% Li₂O as shown in the following table:

Ore Reserves Keliber Oy (JORC 2012)												
	Syväjärvi		Rapasaari		Länttä		Outovesi		Emmes		Total	
Open pit	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%
Proven	1.433	1.18	1.440	1.07	0.168	1.09					3.041	1.12
Probable	0.491	0.97	2.730	0.90	0.096	0.93	0.222	1.06			3.539	0.92
Open pit total	1.924	1.13	4.170	0.96	0.263	1.03	0.222	1.06			6.579	1.01
Underground	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%
Proven			0.340	0.89	0.243	0.83					0.583	0.86
Probable			0.770	0.86	0.583	0.85			0.856	1.01	2.209	0.92
Underground total			1.110	0.87	0.826	0.85			0.856	1.01	2.792	0.90
Ore Reserves total	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%
Proven	1.433	1.18	1.780	1.04	0.411	0.94					3.624	1.08
Probable	0.491	0.97	3.500	0.89	0.679	0.86	0.222	1.06	0.856	1.01	5.748	0.92
Grand total	1.924	1.13	5.280	0.94	1.090	0.89	0.222	1.06	0.856	1.01	9.372	0.98

The ore reserve estimates have been prepared by AFRY/Pöyry Finland Oy by competent persons under the supervision of Ville-Matti Seppä MSc (Geology), who has an EurGeol qualification.

Solid underlying market fundamentals

The global lithium market is still in a ramp-up phase and a temporary market softening was experienced throughout 2019. The ongoing Coronavirus pandemic provides additional market uncertainties and is expected to extend the period of reduced demand for lithium and soft product prices. Depending of the rate of recovery of economies and markets, lithium prices are projected to increase. The long-term market fundamentals and outlook for lithium hydroxide remain positive, and the expected demand growth is strongest among the lithium products as the battery chemical industry is moving towards nickel-rich cathode chemicals.

Electrification of transportation is regarded a "global mega-trend" positively aligned with environmental priorities, globally as well as on national levels. Currently, the main developments are related to land-based transportation. In the future, also parts of the sea-based transportation and possibly also air-based transportation could be electrified. Further, storage and grid-integration of new production of renewable energy from i.a. solar and wind will require battery capacity and demand for lithium.

Keliber targets to be the first producer in Europe of battery-grade lithium hydroxide and maintains dialogues with potential customers to secure offtake agreements suitable for project financing. Significant European initiatives related to battery chemicals and battery production are under development. Building a strong value chain for lithium in Europa may have a stronger focus and priority, both for industries and authorities, when the situation normalizes after the Coronavirus pandemic.

Strategic assets and initiatives

Alumina technology development

Nordic Mining has since 2009 been engaged in development of a new technology for alumina production as a sustainable alternative to the current production. The technology has successfully been developed together with Institute for Energy Technology (IFE) and has been patented in several countries including Norway, Russia, USA, Canada and with the European Patent Office. In June 2019, the Company announced that the EU's Horizon 2020 program has granted EUR 5.9 million for the AlSiCal project to further develop the patented technology. AlSiCal is an ambitious research and innovation project to further research, develop and de-risk the technology.

The technology, named the Aranda-Mastin technology (AM technology), is a low waste and low carbon footprint alternative, to the current alumina production which is mainly based on bauxite resources refined through the Bayer process. Bauxite mining and processing is known to have substantial environmental impact due to production of toxic waste, substantial carbon emissions and extensive land use. The new technology is an innovative alternative based on alumina/calcium-rich rocks such as anorthosite. Anorthosite is an alumina-rich feldspar rock with approximately 30% alumina. With the new technology, anorthosite can be close to fully utilized to produce alumina together with silica and calcium carbonate by-products. The technology includes a carbon consumption process-step allowing for a low carbon footprint.

The production process is based on leaching with hydrochloric acid at moderate temperature and pressure. Aluminum is extracted through a sparging process and subsequently calcined to form alumina. Precipitated calcium carbonate (PCC) is produced as a by-product by integrating CO₂ utilization in the process. Silica forms a residue in the leaching process and is also extracted as a by-product. PCC is a commodity used as filler in paper, plastics and paint, and silica is used as filler in tires and plastics, and in the production of cement. The process can potentially consume close to 500,000 tonnes of CO₂ per million tonne of alumina which corresponds to the emission from a medium sized oil and gas platform. The CO₂ can either be stored safely or utilized as part of the production of PCC. The process aims at being waste free since nearly all the components of the anorthosite are expected to be saleable products.

With the granting of the AlSiCal project an ambitious 4-year work plan is in place to further develop the patented technology. The AlSiCal Project consortium comprise of 16 international partners from 9 countries. The aim of the project is to further research and de-risk the technology and assess the technical and economic feasibility. The project has a goal of developing the technology towards a zero-carbon emission production process by including integrated CO₂ capture. Nordic Mining is actively participating in the project, leading one of the work packages focused on raw material sources and leaching optimization.

Seabed minerals

Nordic Mining has taken pioneering initiatives related to seabed mineral exploration and knowledge building in Norway. Research assessments indicate an attractive potential for discovery of metallic ore deposits with possible significant economic values within Norway's exclusive economic zone.

Nordic Mining participates in the ongoing MarMine project on marine mineral resources. The project is coordinated by the Norwegian University of Science and Technology (NTNU). The Norwegian Research Council has granted NOK 25 million to the project which has a strong industrial basis and participation. An exploration cruise including mineral sampling and assessments related to seabed mineral operations has been executed in selected areas along the Mid-Atlantic Ridge.

As from 1 July 2019, a new law for seabed mineral activity has been implemented in Norway and provide a legal framework for exploration and extraction of seabed minerals.

Oslo, 5 May 2020
The Board of Directors of Nordic Mining ASA

CONSOLIDATED INCOME STATEMENT

	2020	2019	2019
	01.01-31.03	01.01-31.03	01.01-31.12
<i>(Amounts in NOK thousands)</i>	Unaudited	Unaudited	Audited
Payroll and related costs	(3 677)	(4 261)	(15 455)
Depreciation and amortization	(59)	(73)	(202)
Impairment of exploration and evaluation assets	-	-	-
Other operating expenses	(13 302)	(10 858)	(57 154)
Operating profit/(loss)	(17 038)	(15 192)	(72 811)
Share of loss in associate	-	(759)	(759)
Gains/losses on investments	18	97 865	75 507
Financial income	371	11	552
Financial costs	(113)	(55)	(1 098)
Profit/(loss) before tax	(16 762)	81 870	1 391
Income tax	-	-	-
Profit/(loss) for the period	(16 762)	81 870	1 391
Profit/(loss) attributable to			
Equity holders of parent	(16 762)	81 870	1 391
Non-controlling interest	-	-	-
Earnings per share attributable to ordinary shareholders			
<i>(Amounts in NOK)</i>			
Basic and diluted earnings per share	(0,09)	0,63	0,01

STATEMENTS OF COMPREHENSIVE INCOME

	2020	2019	2019
<i>(Amounts in NOK thousands)</i>	01.01-31.03	01.01-31.03	01.01-31.12
	Unaudited	Unaudited	Audited
Net profit/(loss) for the period	(16 762)	81 870	1 391
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences	-	(385)	(385)
Currency translation reclassified to profit and loss	-	(4 880)	(4 880)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Changes in pension estimates	-	-	(146)
Other comprehensive income directly against equity	-	(5 265)	(5 411)
Total comprehensive income/(loss) for the period	(16 762)	76 605	(4 020)
Allocation of comprehensive income			
Equity holders of parent	(16 762)	76 605	(4 020)
Non-controlling interest	-	-	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(Amounts in NOK thousands)</i>	31.03.2020 Unaudited	<i>31.12.2019</i> <i>Audited</i>
ASSETS		
Non-current assets		
Evaluation and exploration assets	26 248	26 140
Property, plant and equipment	445	469
Right-of-use assets	87	123
Financial assets	90 796	90 778
Investment in associate	-	-
Total non-current assets	117 576	117 510
Current assets		
Trade and other receivables	4 794	4 286
Cash and cash equivalents	68 716	30 619
Total current assets	73 510	34 905
Total assets	191 086	152 415
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	118 495	101 275
Share premium	473 157	436 074
Other paid-in capital	15 575	15 578
Retained losses	(423 541)	(406 779)
Other comprehensive income	(2 316)	(2 316)
Total equity	181 370	143 832
Non-current liabilities		
Other liabilities	585	586
Lease liabilities	-	-
Total non-current liabilities	585	586
Current liabilities		
Trade payables	5 794	3 142
Other current liabilities	3 337	4 855
Total current liabilities	9 131	7 997
Total liabilities	9 716	8 583
Total shareholders' equity and liabilities	191 086	152 415

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited

Attributed to equity holders of the parent						
<i>(Amounts in NOK thousands)</i>	Share capital	Share premium	Other-paid-in capital	Other comprehensive income	Accumulated losses	Total equity
Equity 1 January 2019	78 505	401 597	14 502	3 095	(408 170)	89 529
Loss for the period	-	-	-	-	81 870	81 870
Other comprehensive income	-	-	-	(5 265)	-	(5 265)
Total comprehensive income	-	-	-	(5 265)	81 870	76 605
Share-based compensation	-	-	381	-	-	381
Equity 31 March 2019	78 505	401 597	14 883	(2 170)	(326 300)	166 515
Equity 1 January 2020	101 275	436 074	15 578	(2 316)	(406 779)	143 832
Loss for the period	-	-	-	-	(16 762)	(16 762)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(16 762)	(16 762)
Share issue	17 220	40 180	-	-	-	57 400
Transaction costs	-	(3 097)	-	-	-	(3 097)
Share-based compensation	-	-	(3)	-	-	(3)
Equity 31 March 2020	118 495	473 157	15 575	(2 316)	(423 541)	181 370

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	2020	2019
	01.01-31.03	01.01-31.03
<i>(Amounts in NOK thousands)</i>	Unaudited	Unaudited
Operating activities:		
Net cash used in operating activities	(16 061)	(14 440)
Investing activities:		
Acquisition of licenses and properties	(108)	(89)
Investment in other exploration and evaluation assets	-	-
Investment in property, plant and equipment	-	-
Net cash used in investing activities	(108)	(89)
Financing activities:		
Share issuance	57 400	-
Transaction costs, share issue	(3 097)	-
Payment of lease liabilities	(37)	(34)
Net cash from financing activities	54 266	(34)
Net change in cash and cash equivalents	38 097	(14 563)
Cash and cash equivalents at beginning of period	30 619	49 902
Cash and cash equivalents at end of period	68 716	35 339

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

Note 1 – ACCOUNTING PRINCIPLES

These interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". They do not include all the information required for full annual financial reporting and should be read in conjunction with the consolidated financial statements of Nordic Mining ASA and the Group for the year ended 31 December 2019. The accounting policies adopted are consistent with those followed in the preparation of the Company's and the Group's annual financial statements for the year ended 31 December 2019.

This report was authorized for issue by the Board of Directors on 5 May 2020.

Note 2 – SEGMENTS

The Group presents segments on the basis of the mineral projects. From 1 January 2020 the only reportable segment of the Group is the Titanium and Garnet segment. These are the minerals which can be produced from the mineral deposit at Engebø. The zoning plan and the discharge permit for the project are approved and final, without possibility for appeals. The definitive feasibility study was presented in January 2020. The change in reportable segments from 2019 is due to the increasing focus on the development of Engebø, and on the expected limited activity in the subsidiaries Nordic Quartz and Nordic Ocean Resources going forward.

Note 3 – FINANCIAL ASSETS

Keliber Oy

2020:

On 20 March 2020, Keliber completed a share issue directed towards existing shareholders with total gross proceeds of EUR 5.8 million at a subscription price of EUR 33 per share which implies a post-money value of Keliber of EUR 48.4 million. Following the share issue in Keliber, Nordic Mining was diluted from 18.5% to 16.3% ownership.

As per 31 March 2020, the Group has reassessed the value of Keliber based on the value implied by the share issue described above, and the value of Group's investment has been adjusted accordingly in the first quarter interim financial statements. The impact in the first quarter is a gain on the investment of NOK 18,000.

2019:

In February 2019, Keliber completed a share issue directed towards existing shareholders with total gross proceeds of EUR 10 million at a subscription price of EUR 49 per share which implies a post-money value of Keliber of EUR 63 million. Following the share issue, Nordic Mining was diluted from 22% to 18.5% ownership. As a consequence, the Group assessed that it no longer imposed significant influence and reclassified the investment in Keliber from an Associate to a Financial Asset Measured at Fair Value Through Profit and Loss under IFRS 9 ("FVPL Method").

On 15 February 2019, the Group derecognized the investment in associate and recognized the financial asset at estimated fair value. A gain was recognized on the difference between the carrying amount of the investment in associate on derecognition and the fair value of the financial asset on the same date. Currency translation adjustments on 15 February 2019 relating to Keliber was reclassified from other comprehensive income to the income statement and included in the recognized gain. Fair value was estimated based on the subscription price in the share issue described above which resulted in a recognized gain of NOK 97.9 million in the first quarter of 2019.

Note 4 – SHARE CAPITAL

On 28 January 2020, Nordic Mining completed a private placement with gross proceeds of NOK 57.4 million. Following registration of the share capital increase, and at the date of this report, the Company has a share capital of NOK 118,495,063.20 divided into 197,491,772 shares, each with a nominal value of NOK 0.60.

Note 5 – EVENTS AFTER BALANCE SHEET DATE

In February 2020, the general meeting resolved an authorization to the Board to carry out a subsequent share issue of up to 10 million new shares following the January private placement at a subscription price of NOK 2.00 per share directed towards existing shareholders. After the general meeting, the price of the Nordic Mining share has, for an extended time period and with substantial trading volume, traded below the subscription price in the planned subsequent offering. Consequently, existing shareholders wishing to avoid or reduce the dilutive effect of the private placement have had the opportunity to purchase shares in the open market at prices below the subscription price in the private placement. On this basis, the Board of directors of Nordic Mining on 21 April 2020 decided not to proceed with the subsequent offering. On 30 April 2020, the Company published a listing prospectus for the shares issued in the private placement which was executed on 28 January 2020, ref. note 4.

Nordic Mining's annual report for 2019 was published on 22 April 2020.

The ordinary general meeting of the shareholders in Nordic Mining ASA will be held on Thursday 14 May 2020. Due to the Coronavirus restrictions, the general meeting will be held digitally. Information related to the ordinary general meeting is available on the Company's webpage www.nordicmining.com.