



**NORDIC
MINING**

INTERIM REPORT Per 31 March 2021



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 14.3% 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 Euronext Expand Oslo with ticker symbol "NOM".

Group interim report for the quarter ended 31 March 2021

Important events in the first quarter of 2021 and year to date:

CORPORATE

Successful capital raise of NOK 80 million

In February 2021, the Company completed a private placement with gross proceeds of NOK 80 million. The proceeds enabled a significant participation in Keliber's equity issue in March/April as described below. The remaining proceeds will be used towards securing financing for the Engebø project, and preparing for execution, as well as development of the Group's position within the seabed mineral resources area and general corporate purposes and business development.

ENGEBØ RUTILE AND GARNET PROJECT (100% ownership)

Results from Updated Definitive Feasibility Study (UDFS) will be presented 11 May

In the UDFS process, results from mining and plant design optimizations and responses from the contractor market indicate a reduction in the initial capital expenditure around USD 100 million from the USD 311 million level in the DFS from January 2020. Further, reductions are indicated related to processing operating costs following from flowsheet optimizations, including reduction in energy costs from use of electrical dryers for drying of minerals. In contrast, an expected reduction of demand for garnet in the short-term implies a revision of projected sales volumes in the first years of production. The economic results of the UDFS optimizations will be presented 11 May.

Electrical dryers reduce CO₂ footprint by more than 80%

In the UDFS process, the viability of electrical dryers for drying of minerals in the production process has been successfully confirmed. The concept uses proven technology that has been qualified for increased production volumes. The use of electrical dryers will reduce the CO₂ emissions from the project with more than 80% and in effect make the process plant completely free of CO₂ emissions. Going forward, the Company will assess possibilities to further reduce CO₂ emissions, mainly related to the mining operations.

Implementation of environmental and social management systems

The Company is implementing an integrated and comprehensive Environmental and Social Management System (ESMS) for the Engebø project to ensure environmental and social issues are managed in accordance with International Finance Corporation's (IFC) Performance Standards and the Equator Principles, as well as Norwegian permits and regulations.

A Stakeholder Engagement Plan is in place to strengthen and build sustainable stakeholder relations prior to, and during construction, and further into the production phase. The plan has been reviewed by the international mining consultancy firm SRK Consulting (SRK) to ensure compliance with the IFC standards. A local resource group has been established with participation from key stakeholder groups to participate in the Company's environmental monitoring program.

Revised discharge permit granted

In January 2021, the Environment Agency granted a revised discharge permit implying a substitution of chemicals from the original permit, commenting that the significant reduction in chemical consumption will have lower impact on the environment than the previously planned consumption.

Long-term market fundamentals supportive for Engebø

The demand for rutile has consistently increased in the aftermath of the Covid-pandemic. In particular, the pigment and welding industries have increased the usage of rutile to optimize production and capacity utilization in line with the increasing demand. Due to reduced activity in the aerospace industry, the production levels in the titanium metal segment remains subdued because of the pandemic. The average rutile price in the first quarter of 2021 is reported to be around USD 1,200 per tonne (FOB), which is slightly lower than the average price level in 2020 of approximately USD 1.220 per tonne. Producers indicate a tightening rutile market and expect increasing prices going forward.

The garnet demand in 2020 was impacted by reduced economic activity and lower oil price. Prices of garnet to end-customers in the main markets in Europe and USA have to a large extent been reported to remain unaffected, despite demand having contracted with an estimated 20 – 25%. The existing main producers of garnet are in Australia, China, India, and South-Africa, with no production in Europe. In the USA, domestic

production is significantly short of the demand. Various garnet buyers have indicated that long-term supply of high-quality garnet from Europe is important for supply security and efficient logistics. Nordic Mining has provided garnet samples for testing, and the results compare well with industrial reference qualities. Constructive discussions continue with potential customers for long-term offtake agreements.

KELIBER LITHIUM PROJECT (14.3% ownership)

Building international partnership with leading international mining company

In February 2021, Keliber entered into an investment agreement with the leading international mining company Sibanye-Stillwater Limited (SSW) for an initial phased equity investment of EUR 30 million for approximately 30% shareholding in Keliber. In March, the first tranche of the initial investment was closed with SSW subscribing for shares for EUR 15 million, and at the same time a share issue of up to 250,000 shares was opened to existing shareholders of Keliber. In the issue, which was conducted in March/April 2021, Nordic Mining was allocated in total 58,975 shares at an issue price of EUR 40 per share corresponding to approximately 23.6% of the share issue, to retain an ownership of approximately 14.3%. SSW plans to play a key role as an industrial anchor investor in the project financing planned for mid-2022, and has in accordance with the investment agreement the option to secure a majority shareholding in Keliber, following the completion of the updated feasibility study.

Project update and review

Keliber continues to advance the lithium project including technical planning, permitting, ore potential, market assessments and financing. The company have decided to increase the production capacity for lithium hydroxide from 12,000 to 15,000 tonnes per year. Further, the concentrator plant will be moved closer to the main spodumene deposits to increase efficiency and reduce environmental footprint. Basic engineering work is ongoing related to the concentrator, tailings disposal solutions and the chemical plant.

Resource drilling has continued in 2020 and the first part of 2021. Preliminary indications are positive. Updated mineral resource estimates will be presented later in May and incorporated to the resource basis for the project. An update of the DFS is scheduled late 2021 or early in 2022.

Processes related to environmental permitting are progressing, with the Environmental Impact Assessment (EIA) report for the mineral concentrator and main mining areas being submitted to the authorities in November 2020. Keliber targets to submit the permit application for the concentrator and main mining areas in the first half of 2021. The environmental permit application for the Kokkola chemical plant was submitted in December 2020. Keliber expects the permit decision in 2021.

Electrical Vehicle market and shift to e-mobility driving lithium market outlook

In the first part of 2020, lithium prices were under pressure driven by the uncertainties caused by the Covid-pandemic. In the second half of the year, economic activity including electrical vehicle manufacturing picked up and the market balance for lithium was tightening. The ongoing and expected recovery of economies and the pace of transition towards greener and more sustainable solutions are expected to fuel the lithium market in the coming years.

In the 2020 list of Critical Raw Materials, the European Union indicated that Europe would need about 60 times more lithium, which is critical for a shift to e-mobility, for EV batteries and energy storage by 2050. The first European battery giga-factories are coming to production in 2021, and with more giga-factories in project phase, including significant battery initiatives in the Nordic countries.

Keliber's targeted position as a low-cost producer and the first producer in Europe of battery-grade lithium hydroxide is expected to be an advantage when it comes to future sales to battery manufacturers.

NORDIC OCEAN RESOURCES (NORA) (100% ownership)

Nordic Mining has taken pioneering initiatives related to seabed mineral in Norway through the subsidiary Nordic Ocean Resources (NORA) giving the Company valuable knowledge for business development. NORA participated in the MarMine project on marine mineral resources coordinated by the Norwegian University of Science and Technology (NTNU). Research assessments indicate an attractive potential for discovery of metallic ore deposits with possible significant economic values within Norway's exclusive economic zone.

In 2019, the new Seabed Minerals Act came into force as result of systematic mapping of seabed minerals by the Norwegian Petroleum Directorate. Prior to opening for seabed mineral extraction, an environmental impact assessment must be carried out and in January 2021 the Ministry of Petroleum and Energy on issued a hearing for a proposal for an impact assessment program.

In light of the positive developments on the regulation of seabed minerals, and increased focus on how the Norwegian mining industry can play an important role on seabed minerals to support the green-transition, Nordic Mining will review its strategy on how to commercialise the Group's knowledge and position on seabed minerals.

FINANCIAL PERFORMANCE IN Q1

Unless other information is given, numbers in brackets for comparison relate to the corresponding period in 2020.

The Group is in the Definitive Feasibility Study phase of the Engebø project and has, so far, no sales revenues from operations. Reported operating loss for the first quarter was NOK -15.9 million (NOK -17.0 million). The operating result reflects the Group's continued focus to steadily progress development activities for the Engebø project towards update of the DFS, and further towards construction and production.

In February 2021 Keliber Oy and leading international mining company Sibanye-Stillwater Limited announced that they have entered into an investment agreement for an initial phased equity investment of EUR 30 million at price of EUR 40 per share. In March 2021, the first tranche of the investment was closed with SSW subscribing for shares for EUR 15 million, and at the same time a share issue of up to 250,000 shares was opened to existing shareholders of Keliber. In a primary issue completed in the first quarter 2021, the Group was allocated 39,841 shares at an issue price of EUR 40 per share. The Group has at quarter-end retained the valuation of the investment in Keliber at EUR 40 per share, however recognizing a translation loss of NOK 4.9 million on the investment in first quarter due to changes in foreign exchange. Nordic Mining's carrying amount for the investment was NOK 111.5 million as of 31 March 2021 (31.12.20: NOK 100.1 million). In a secondary Keliber share issue, the Group was allocated an additional 19,134 shares at the same price as in the primary issue. The secondary issue was closed in the April, and the Group owns at the date of this interim report approximately 14.3% of the shares in Keliber.

Reported net result in the first quarter was NOK -20.9 million (NOK -16.8 million).

Net cash outflow from the Group's operating activities in the first quarter was NOK -10.0 million (NOK -16.1 million) which is lower than the average for foregoing quarters of 2020. Net cash outflow to investment activities in the first quarter was NOK -16.1 million (NOK -0.1 million). The investments relate mainly to share purchase in Keliber's share issue to existing shareholders. Net cash inflow from financing activities in the first quarter was NOK 76.0 million (NOK 54.3 million) resulting from the private placement in February. For more information, see Note 4.

The Group's cash and cash equivalents were increased by NOK 50.0 million in the first quarter to NOK 92.1 million as per 31 March 2021. Nordic Mining remains well financed for the continuation of the Engebø project towards construction, and other Group activities, based on current plans and forecasts.

Nordic Mining's total assets as of 31 March 2021 was NOK 235.8 million (31.12.2020: NOK 173.7 million), and total equity was NOK 219.4 million (31.12.2020: NOK 164.3 million). The Group had no interest-bearing debt.

The Group will require long-term financing to develop its projects towards production. There is no assurance that the Group will be successful in obtaining the required financing, however the Company expects that the significant economic potential of the Engebø flagship project and the ownership in the Keliber lithium project, combined with a solid, debt-free balance sheet, will provide a prudent basis for financing going forward.

For further information relating to the Company's risk assessments, reference is made to the annual report for 2020 which is available on the Company's webpage www.nordicmining.com.

MAIN PROJECTS AND ACTIVITIES

Engebø rutile and garnet project (100% ownership)

World-class mineral resource developed according to world-class standards

The Engebø 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 scale of the mineral resource secures long-term operations.

The project will be developed in accordance with high international standards for environment, health and safety. Regional hydroelectric 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 environmental effects.

The Engebø 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.

Updated DFS (UDFS) will be presented on 11 May 2021

In January 2020, the Company published the results of the DFS for the Engebø project. The study indicated strong financials and reinforced Engebø as a world class rutile and garnet project. Following the finalization of the DFS and because of the uncertainties caused by the Covid-pandemic, a third-party Value Engineering review was initiated with the purpose to increase the project's robustness to future market conditions. The review identified specific opportunities to reduce the initial capital expenditure and improve the economic utilization of the deposit. In October 2020, Nordic Mining appointed engineering companies Hatch and Axe Valley Mining to confirm and develop the opportunities identified to DFS-level for an update of the DFS.

In the UDFS process, results from mining and plant design optimizations and responses from the contractor market indicate a reduction in the initial capital expenditure around USD 100 million from the USD 311 million level in the DFS from January 2020. Further, significant reductions are indicated related to operating costs following from flowsheet optimizations with energy savings and general unit cost improvements. In contrast, an expected reduction of demand for garnet in the short-term implies a revision of projected sales volumes in the first years of production. The economic results of the UDFS optimizations will be presented 11 May.

In the UDFS process, the viability of electrical dryers for drying of minerals in the production process has been successfully confirmed. The concept uses proven technology that has been qualified for increased production volumes. The use of electrical dryers will reduce the CO₂ emissions from the project with more than 80% and in effect make the process plant completely free of CO₂ emissions. Going forward, the Company will assess possibilities to further reduce CO₂ emissions, mainly related to the mining operations.

Implementation of environmental and social management systems ongoing

The Company is implementing an integrated and comprehensive Environmental and Social Management System (ESMS) to ensure environmental and social issues are managed in accordance with IFC Performance Standards and the Equator Principles, as well as Norwegian permits and regulations.

A Stakeholder Engagement Plan is in place to strengthen and build sustainable stakeholder relations prior to, and during construction, and further into the production phase. The plan has been reviewed by the international mining consultancy firm SRK Consulting (SRK) to ensure compliance with the IFC standards. A local resource group has been established with participation from key stakeholder groups to participate in the Company's environmental monitoring program.

Plans for extractive waste management and efficient energy use are being developed with the assistance of SRK. The plans will be finalized before start of construction.

Environmental monitoring programs, using state of the art technologies, will be put in place to ensure adherence to permits and to mitigate environmental effects. In line with the provisions of the environmental permit, the Company has started a monitoring program to register juvenile salmon (smolt) migration in the Førde Fjord and connecting rivers.

Main regulatory framework is completed, technical building permits in process

In June 2020, the Directorate of Mining granted the operating license for the Engebø project. The operating

license completes the main regulatory framework required for the project, including extraction permits, approved zoning plan for the mining and processing areas and the environmental permit. The operating license is granted for the life of mine of the project which includes an open pit and underground phase, however, with a possibility for revision after 10 years. The license regulates operational scope, methodology and procedures to secure safe and efficient production of the mineral resources and follows the strict regulation practice for Norwegian mining operations which implies high standards for environment, health and safety.

The Directorate of Mining confirmed in November 2020 that the appeals received in relation to the operating license do not provide any basis to revoke or changes the decision. The matter has been forwarded to the Ministry of Trade, Industry and Fisheries for final confirmation.

Arctic Mineral Resources AS (AMR) is one of the appellants. In March 2021, AMR summoned Nordic Mining's subsidiary, Nordic Rutile, claiming that AMR has exclusive rights to the garnet on the Vevring side of the Engebø deposit, and that Nordic Rutile has no rights to the said garnets. Normally, an appellant awaits the Ministry's decision before initiating court proceedings which attacks decisions passed by authorities. AMR's claim is contrary to the Directorate of Mining's decision and contrary to the Minerals Act and is rejected by Nordic Mining in its entirety.

The Company is awaiting the final confirmation from the Ministry of Trade, Industry and Fisheries, and is confident that the operating license will be retained as granted in June 2020.

In June 2020, the Company submitted, after extensive test work proving that the consumption of chemicals could be significantly reduced, an application to the Environment Agency for substitution of chemicals from the original environmental permit of 2015. In January 2021, the Agency granted the revised environmental permit, commenting that the significant reduction in chemical consumption will have lower impact on the environment than the previous planned consumption.

Positive commercial outlook for rutile and garnet

Europe has a significant supply deficit of titanium feedstock, including rutile, and no garnet production. Supply from Engebø represent a substantial opportunity for logistical optimization. The long-term fundamentals are strong and support a new source of supply in Europe.

The demand for rutile has consistently increased in the aftermath of the Covid-pandemic. In particular, the pigment and welding industries have increased the usage of rutile to optimize production and capacity utilization in line with the increasing demand. Due to reduced activity in the aerospace industry, the production levels in the titanium metal segment remains subdued because of the pandemic. The average rutile price in the first quarter of 2021 is reported to be around USD 1,200 per tonne (FOB), which is slightly lower than the average price level in 2020 of approximately USD 1.220 per tonne.

In the coming years, the global supply of rutile is expected to be significantly reduced as mineral deposits are depleted. At the same time, the demand for rutile and other high-grade titanium feedstock is expected to increase driven by value and importance for industrial processes and applications. Producers indicate a tightening rutile market and expect increasing prices going forward.

In 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 process to finalize terms and conditions for a long-term offtake agreement has been delayed as result of the Covid-pandemic. Discussions are progressing constructively, and the Company expects the agreement to be finalized in due course for project financing later in 2021.

The main applications for garnet are in waterjet cutting and sand blasting. Prices vary depending on quality and application. The garnet demand in 2020 was impacted by reduced economic activity and lower oil price. Selling prices in the main markets in Europe and USA have to a large extent been reported to remain unaffected, despite demand having contracted with an estimated 20 – 25%.

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 demand. The existing main producers are in Australia, China, India and South-Africa. Regulatory measures introduced by the Indian government in 2016 continue to affect a substantial part of the Indian garnet production. It is uncertain when and to what extent Indian production will re-enter the market. In the USA, domestic production is significantly short of the demand.

Various garnet buyers have indicated that long-term supply of high-quality garnet from Europe is important for supply security and efficient logistics. This supports Engebø as a new and long-term source of supply of high-quality garnet. Nordic Mining has constructive discussions with potential garnet customers and has provided samples for testing, and the results compare well with industrial reference qualities. Constructive discussions continue with potential customers for long-term offtake agreements.

Keliber Oy (14.3% ownership) – lithium hydroxide project

Target to become the first European producer of battery-grade lithium hydroxide

Keliber 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's project development is in accordance with high international standards for environment, health and safety.

Keliber targets to be the first producer in Europe of battery-grade lithium hydroxide. Lithium hydroxide is important in modern batteries and a vital material for the ongoing electrification of the transport sector to reduce CO₂ emissions.

In February 2021, Keliber entered into an investment agreement with the leading international mining company Sibanye-Stillwater Limited (SSW) comprising total equity investments of EUR 40 million. In March/April, Keliber completed equity issues of EUR 25 million; EUR 15 million from SSW and EUR 10 million from the company's existing shareholders. The remaining EUR 15 million are intended for completion later this year and early 2022.

On a quarterly basis, Keliber presents progress reports to stakeholders. The reports and news releases are available at www.keliber.fi.

Steadily increasing the resource base

Over the last years, Keliber has consistently increased the resource base for the lithium project. The last update of the ore reserve estimate for the Rapasaari lithium deposit was published in December 2019. 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.

Resource drilling has continued in 2020 (in total approximately 11,300 meters), and in the first quarter of 2021 (approximately 3,700 meters) in the Rapasaari and Päiväneva areas, to increase the resource base and improve the financial attractiveness of the project. Preliminary indications from the drilling activities are positive. Updated mineral resource estimates are expected in Q2 and will be incorporated in the resource basis for the project.

Optimizing the business case

Keliber continues to advance the lithium project including technical planning, permitting, ore potential, market assessments and financing. The company has decided to increase the production capacity for lithium hydroxide from 12,000 to 15,000 tonnes per year. At the Kokkola chemical plant, Keliber plans to utilize spodumene concentrate from third parties in addition to concentrate from its own deposits. Further, Keliber has decided to move the concentrator plant to the Päiväneva area which is closer to the main spodumene deposits to increase efficiency and reduce environmental footprint. Basic engineering work is ongoing related to the concentrator, tailings solutions and the chemical plant.

Activities related to environmental permitting are proceeding. The EIA report for the concentrator and main mining areas was submitted to the authorities in November 2020. Keliber targets to submit the permit application for the concentrator and main mining areas in the first half of 2021. The environmental permit application for the Kokkola chemical plant was submitted in December 2020. Keliber expects the permit decision by end of 2021.

Activities related to an update of the DFS are proceeding and the updated study is scheduled for completion late 2021 or early in 2022.

Transition towards greener solutions drives lithium market outlook

In the first part of 2020, lithium prices were under pressure driven by the uncertainties caused by the Covid-pandemic. In the second half of the year, economic activity including electrical vehicle manufacturing has picked

up and the market balance for lithium has tightened. The ongoing and expected recovery of economies and the pace of transition towards greener and more sustainable solutions are expected to fuel the lithium market in the coming years. Various forecasts indicate that supply may become short of the fast-growing demand from 2024/25.

In the 2020 list of Critical Raw Materials, the European Union indicated that Europe would need about 60 times more lithium, which is critical for a shift to e-mobility, for EV batteries and energy storage by 2050. The first European battery giga-factories are coming to production in 2021, and with more giga-factories in project phase, including significant battery initiatives in the Nordic countries. In September 2020, both Lithium and Titanium were added to EU's list over critical minerals.

Keliber's targeted position as a low-cost producer and the first producer in Europe of battery-grade lithium hydroxide, combined with high standards and strict regulatory requirements related to environmental, health and safety matters, is expected to be an advantage when it comes to future sales and positioning in the battery value chain.

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 AISiCal project to further develop the patented technology. AISiCal 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 AISiCal project an ambitious 4-year work plan is in place to further develop the patented technology. The AISiCal 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 through the fully owned subsidiary Nordic Ocean Resources (NORA). 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 participated in the MarMine project on marine mineral resources which was concluded in 2020. The project was coordinated by the Norwegian University of Science and Technology (NTNU). The Norwegian Research Council granted NOK 25 million to the project which had a strong industrial basis and participation,

with an exploration cruise including mineral sampling and assessments related to seabed mineral operations having been executed in selected areas along the Mid-Atlantic Ridge.

In 2019, the new Seabed Minerals Act came into force as result of systematic mapping of seabed minerals by the Norwegian Petroleum Directorate. Prior to opening for seabed mineral extraction, an environmental impact assessment must be carried out and in January 2021 the Ministry of Petroleum and Energy on sent out a proposal for an impact assessment program.

In light of the positive developments on the regulation of seabed minerals, and increased focus on how the Norwegian mining industry can play an important role on seabed minerals to support the green-transition, Nordic Mining will increase the efforts to commercializing the understanding and positioning on seabed minerals developed through the pioneering initiatives.

Oslo, 11 May 2021
The Board of Directors of Nordic Mining ASA

CONSOLIDATED INCOME STATEMENT

	2021	2020	2020
	01.01-31.03	01.01-31.03	01.01-31.12
<i>(Amounts in NOK thousands)</i>	Unaudited	Unaudited	Audited
Other income	188	-	-
Payroll and related costs	(4 208)	(3 677)	(14 413)
Depreciation and amortization	(38)	(59)	(241)
Other operating expenses	(11 829)	(13 302)	(27 874)
Operating profit/(loss)	(15 887)	(17 038)	(42 528)
Gains/losses on investments	(4 943)	18	9 336
Financial income	63	371	500
Financial costs	(120)	(113)	(240)
Profit/(loss) before tax	(20 887)	(16 762)	(32 932)
Income tax	-	-	-
Profit/(loss) for the period	(20 887)	(16 762)	(32 932)
Earnings per share			
<i>(Amounts in NOK)</i>			
Basic and diluted earnings per share	(0.10)	(0.09)	(0.17)

STATEMENTS OF COMPREHENSIVE INCOME

	2021	2020	2020
	01.01-31.03	01.01-31.03	01.01-31.12
<i>(Amounts in NOK thousands)</i>	Unaudited	Unaudited	Audited
Net profit/(loss) for the period	(20 887)	(16 762)	(32 932)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Changes in pension estimates	-	-	(808)
Other comprehensive income directly against equity	-	-	(808)
Total comprehensive income/(loss) for the period	(20 887)	(16 762)	(33 740)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(Amounts in NOK thousands)</i>	31.03.2021	<i>31.12.2020</i>
	Unaudited	<i>Audited</i>
ASSETS		
Non-current assets		
Evaluation and exploration assets	28 461	28 349
Property, plant and equipment	200	374
Right-of-use assets	340	377
Financial investments	111 504	100 114
Total non-current assets	140 505	129 214
Current assets		
Trade and other receivables	3 157	2 215
Cash and cash equivalents	92 113	42 223
Total current assets	95 270	44 438
Total assets	235 775	173 652
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	137 695	118 495
Share premium	529 618	472 824
Other paid-in capital	15 855	15 804
Retained losses	(460 598)	(439 711)
Other comprehensive income	(3 124)	(3 124)
Total equity	219 446	164 288
Non-current liabilities		
Lease liabilities	218	218
Pension liabilities	1 498	1 368
Total non-current liabilities	1 716	1 586
Current liabilities		
Trade payables	5 056	1 668
Other current liabilities	9 557	6 110
Total current liabilities	14 613	7 778
Total liabilities	16 329	9 364
Total shareholders' equity and liabilities	235 775	173 652

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 2020	101 275	436 074	15 578	(2 316)	(406 779)	143 832
Profit 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
Equity 1 January 2021	118 495	472 824	15 804	(3 124)	(439 711)	164 288
Loss for the period	-	-	-	-	(20 887)	(20 887)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(20 887)	(20 887)
Share issue	19 200	60 800	-	-	-	80 000
Transaction costs	-	(4 006)	-	-	-	(4 006)
Share-based compensation	-	-	51	-	-	51
Equity 31 March 2021	137 695	529 618	15 855	(3 124)	(460 598)	219 446

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	2021 01.01-31.03 Unaudited	2020 01.01-31.03 Unaudited
<i>(Amounts in NOK thousands)</i>		
Operating activities:		
Net cash used in operating activities	(9 980)	(16 061)
Investing activities:		
Acquisition of licenses and properties	(112)	(108)
Financial investments	(16 332)	-
Sale of property, plant and equipment	363	-
Net cash used in investing activities	(16 082)	(108)
Financing activities:		
Share issuance	80 000	57 400
Transaction costs, share issue	(4 006)	(3 097)
Payment of lease liabilities	(42)	(37)
Net cash from financing activities	75 952	54 266
Net change in cash and cash equivalents	49 890	38 097
Cash and cash equivalents at beginning of period	42 223	30 619
Cash and cash equivalents at end of period	92 113	68 716

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 March 2021

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 2020.

This report was authorized for issue by the Board of Directors on 11 May 2021.

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 2020.

In the first quarter of 2021, the Group sold a vehicle to its Senior Advisor, Lars K. Grøndahl, for NOK 363,000, which represented the estimated market value.

Note 2 – SEGMENTS

The Group presents segments on the basis of the Group's mineral projects. 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, and the operating license for the project was granted in June 2020. The Definitive Feasibility Study was presented in January 2020 and an Updated Feasibility Study will be presented in May 2021.

For further information relating to the Company's risk assessments, reference is made to the annual report for 2020 which is available on the Company's webpage www.nordicmining.com.

Note 3 – FINANCIAL ASSETS

Keliber Oy

2021:

On 23 February 2021, Keliber and leading international mining company Sibanye-Stillwater Limited announced that they have entered into an investment agreement for an initial phased equity investment of EUR 30 million for approximately 30% shareholding in Keliber. In addition, existing shareholders were offered to subscribe for shares for up to EUR 10 million on the same terms as the investment from Sibanye-Stillwater, securing Keliber bridge financing of in total EUR 40 million.

In March 2021, the first tranche of the initial investment was closed with SSW subscribing for shares for EUR 15 million, and at the same time a share issue of up to 250,000 shares was opened to existing shareholders of Keliber. In a primary issue completed in the first quarter 2021 the Group was allocated 39,841 shares at an issue price of EUR 40 per share.

The investment is valued at EUR 40 per share at quarter end, in line with the pricing in the share issue. The Group recognized a loss of NOK 4.9 million on the investment in first quarter due to changes in foreign exchange.

2020:

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. Following the share issue in Keliber, Nordic Mining was diluted from 18.5% to 16.3% ownership.

As per 31 December 2020, the Group has assessed the market value of Keliber at EUR 40 per share. The assessment took into account available information related to the positive developments in Keliber, the lithium project, and in particular the lithium market, which has started to recover after significant increase in demand from global battery producers, and Keliber's ongoing discussions with investors for a contemplated EUR 30 million financing.

Note 4 – SHARE CAPITAL

In February 2021, Nordic Mining completed a private placement with gross proceeds of NOK 80 million pursuant to the authorization to the Board to increase the share capital granted by the general meeting on 14 May 2020. Following registration of the new share capital Nordic Mining's share capital has increased by NOK 19,200,000 to NOK 137,695,063.20 divided into 229,491,772 shares, each with a par value of NOK 0.60.

Note 5 – EVENTS AFTER BALANCE SHEET DATE

In a secondary Keliber share issue in April, Nordic Mining has been allocated an additional 19,134 shares at an issue price of EUR 40 per share for a total allocation of 58,975 shares including the shares allocated in the primary issue. At the date of this interim report, Nordic Mining owns approximately 14.3% of the shares in Keliber.

In April 2021, CFO Christian Gjerde, was awarded in total 400,000 options pursuant to the Group's option program. Each option gives the right to subscribe for one share in Nordic Mining. The subscription price for each share shall be NOK 2.62 (i.e. equal to the 3-day volume weighted average share price of Nordic Mining prior to the award date plus 5 per cent). The options are vested and may be used to subscribe for shares in the Company on the terms and conditions set out in the option program.

Nordic Mining's annual report for 2020 was published on 29 April 2021. The report is available on the Group's webpage, www.nordicmining.com.