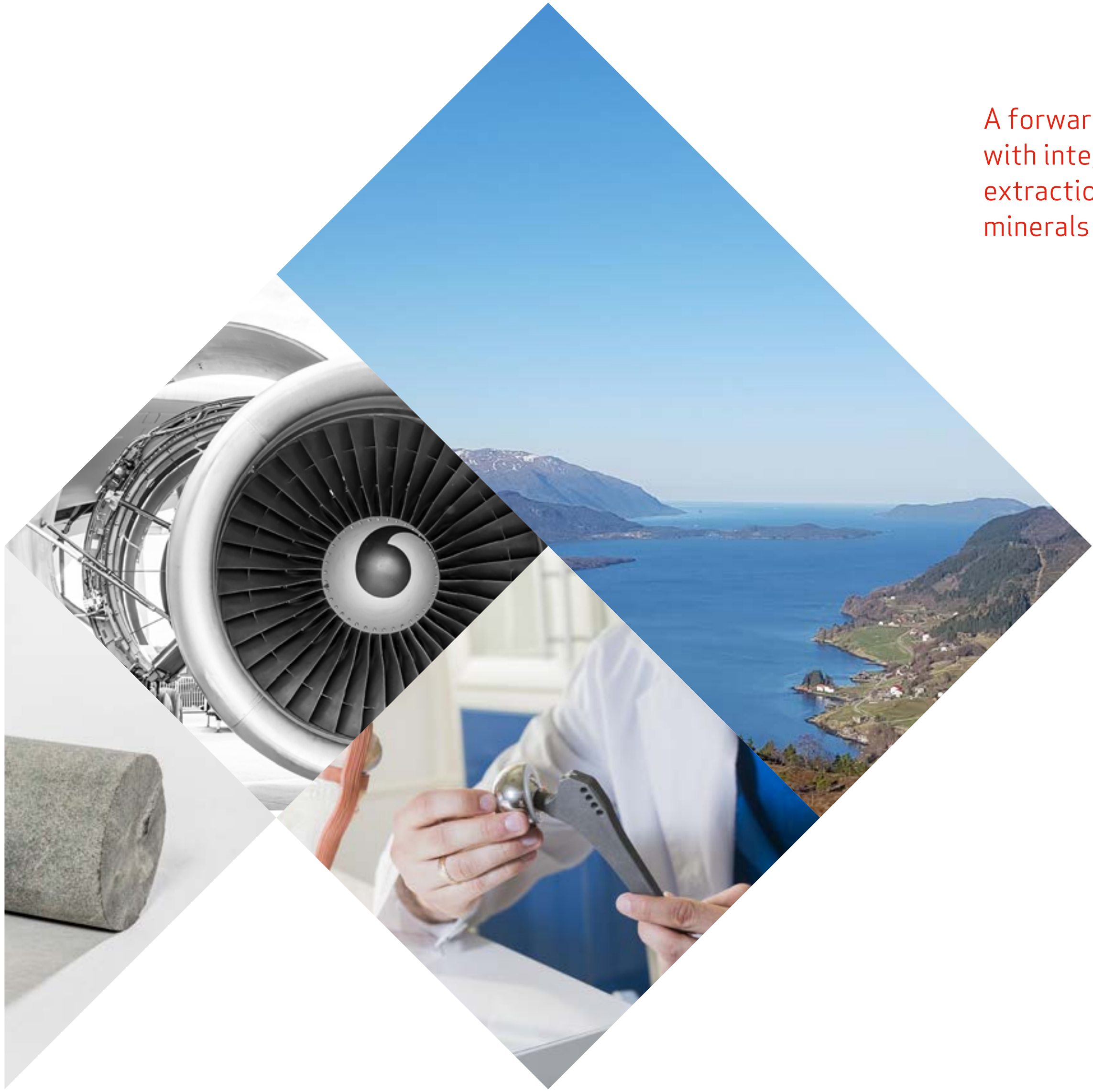
ANNUAL
2021 REPORT

MINERALS
FOR A SUSTAINABLE
FUTURE



A forward-looking resource company with integrated operations in exploration, extraction and production of high-end minerals and metals

SAFETY | ENVIRONMENT | INNOVATION

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CEO'S REPORT

A global call for more minerals

Dear shareholder,

The continuation of the Covid-19 pandemic into 2021 forced the world to adapt to a different modus operandi. Despite an impressive response from all countries to roll out vaccination programs, the pandemic caused many tragedies and has impacted our lives forever. Further, it caused several secondary effects related to production and transportation of commodities needed to make the world go round. The most significant example is sea freight, where congestions and slower performance in many ports resulted in logistical shortfalls and significant increase in freight rates. This factor has played an important role in many countries' consideration of how to move forward towards a more sustainable future.

The need for higher mineral production is arising both from geo-political strategies as well as increased demand from the green transition. The recent tragic events in Ukraine have unfortunately added even further to this situation.

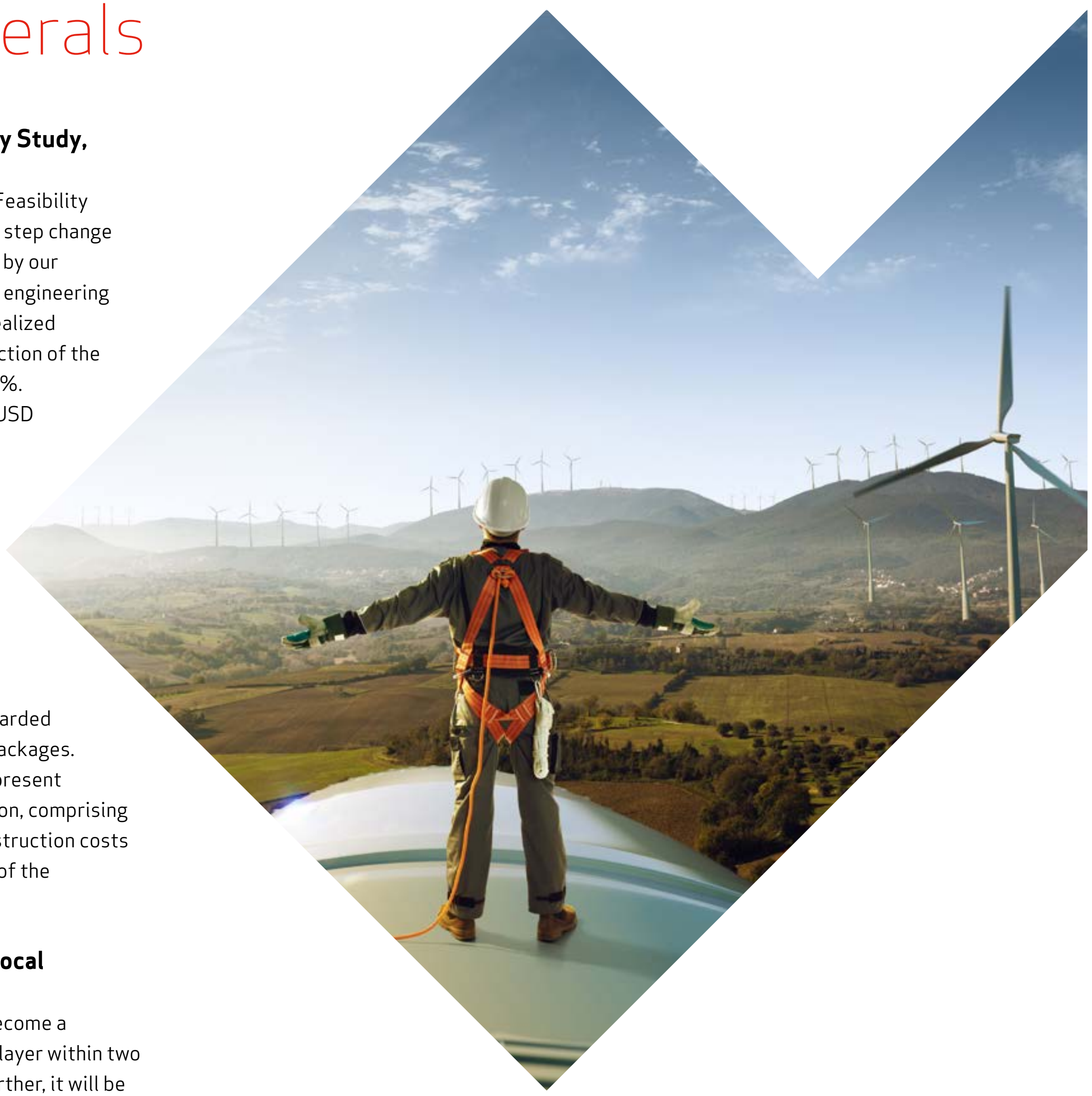
We remain confident that we can contribute positively to the world's need for new sustainable production of needed minerals. When up and running with production from Engebø, Nordic Mining may leverage in several directions for further growth.

Engebø Updated Feasibility Study, a stronger base

The finalization of the updated Feasibility Study for Engebø represented a step change for the project. The joint efforts by our technical team in Nordic Mining, engineering partners and EPC contractors realized significant improvements: Reduction of the plant footprint by more than 40 %. Reduction of Capex by close to USD 100 million. Reduction in CO_2 emissions by around 80% through full electrification of the process plant. Equally important to the above key figures, was the re-engineered execution model, allowing local and regional contractors to participate in engineering and finally being awarded with four complementary EPC packages. The four lump sum contracts represent significant de-risking of execution, comprising more than 75% of the total construction costs for Engebø, based on the scope of the contracts.

Global mineral player and local cornerstone employer

Engebø Rutile and Garnet will become a strategic supplier and a global player within two strategic industrial minerals. Further, it will be



the only garnet producer in Europe and the second (after Ukraine) producer of rutile. The mutual strength from a rare dual mineral play at the Atlantic coast brings unique robustness that is bound for an operation through many decades. Our goal is that many local families shall base their future on the mineral production from Engebø. The investment from a local investor group led by two of the local EPC contractors enforces Engebø as a local cornerstone company. Further, it has enabled Nordic Mining to proceed with preparations and early-work activities, pending final permitting approvals from the Norwegian government.

ESG – the overarching dimension and value driver

There is no doubt, the green shift demands a substantial increase in the world's mineral production. However, the real gain comes if the new additional production is compliant to the latest and industry best practice ESG principles. At Engebø we are doing exactly that; sustainable production of green minerals. We are setting ambitious sustainability goals for the Engebø project. Our goal is to be top-rated in terms of carbon emissions and to fully restore and compensate loss of biodiversity through the life of mine.

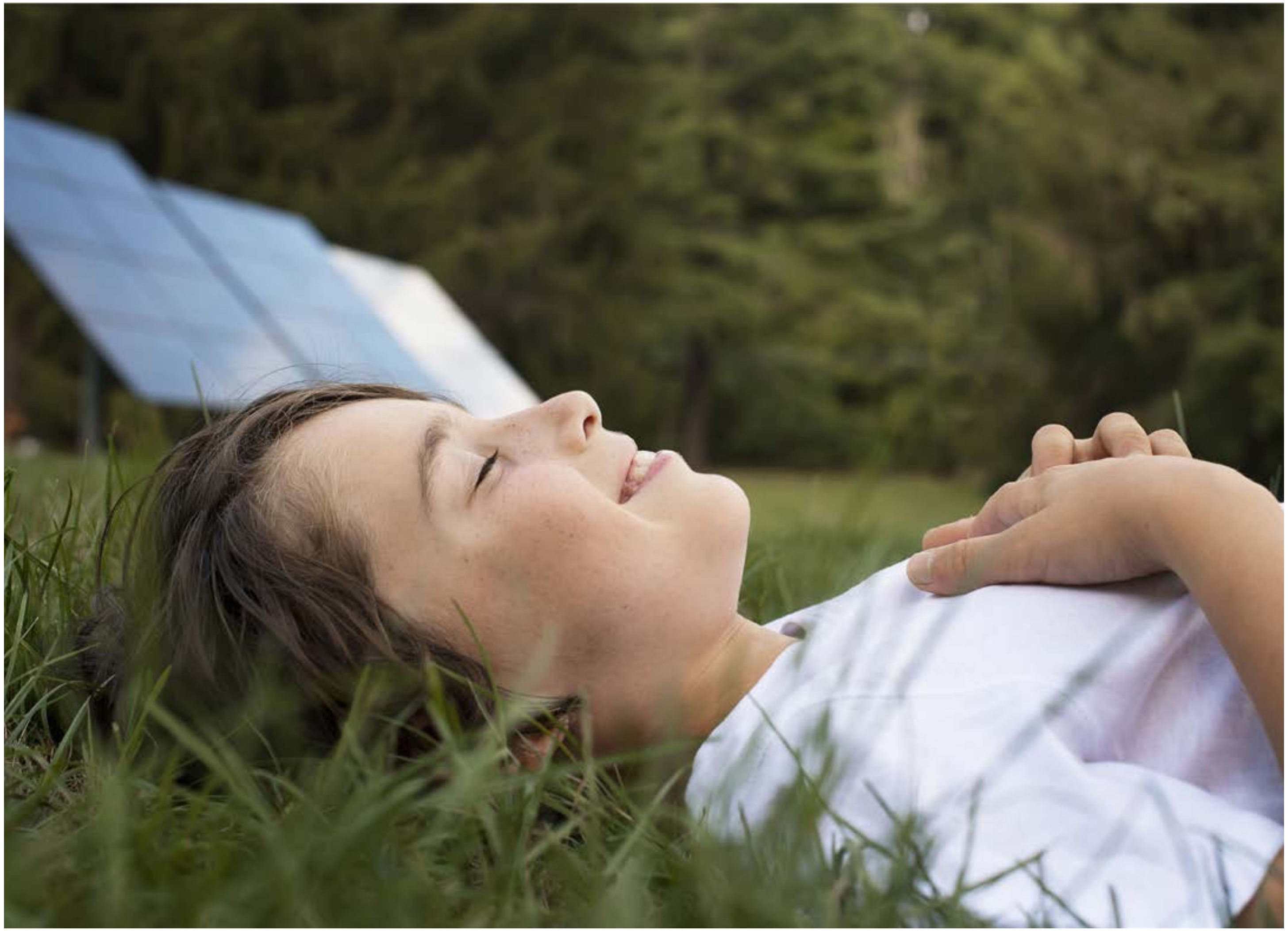
Lithium – patience pays off

The expectations of lithium demand have finally surfaced and prevailed, lithium prices and share valuation of lithium companies have never been higher. Although the amount of lithium that is needed in the production of batteries is very small, it is critical in order to make almost any modern battery to function properly.
With increased resource base and updated production configurations, Keliber stands out as a perfect supplier of battery grade Lithium Hydroxide to the large base of European battery manufacturers.

Oslo, 27 April 2022

Ivar S. Fossum
CEO

Sustainable mining



Minerals for a sustainable future

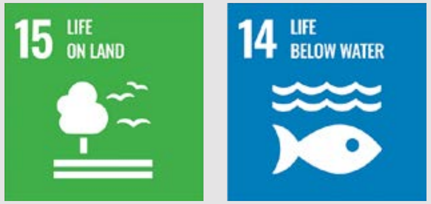
Minerals and metals are essential for the global economy and provide crucial raw materials for industry and daily use. The global demand for minerals is increasing despite efforts to recycle and decouple economies from raw material consumption. With population growth and the transition towards low carbon energy, this trend is forecasted to steadily increase.

The mining industry plays a key role in enabling sustainable development by providing raw materials to improve living standards and contribute to green technologies, but the industry must also tackle its challenges. With growing demand, promoting sustainable mining is more important than ever. The United Nation's International Resource Panel[1] calls for the mining industry to adopt a 'sustainable license to operate' and with this take a holistic approach to reducing negative impact and enhance positive effects. Mining companies can become champions of sustainability.
To achieve this, the industry must reduce its environmental footprint, contribute to conservation of biodiversity and decrease its carbon emissions. By adopting systems to avoid, reduce, restore, and compensate negative impact, sustainable mining is within sight. The transition has started. A new generation of mining companies are emerging where sustainability is embedded in their business. Nordic Mining wants to be part of

this movement, making our best effort to earn our 'sustainability license' by proving that our projects are operated environmentally sound with positive impacts on peoples lives.

Our sustainability goals

The United Nations Sustainable Development Goals ("SDGs") define universal targets to address global challenges. Nordic Mining's sustainability goals are based on these goals to drive economic, environmental, and social performance. We focus on eight goals where Nordic Mining's activities can have a positive or negative contribution, and where we will focus on enhancing positive effects. Our goals are integral parts of all stages of project development from exploration, development, production and closure.

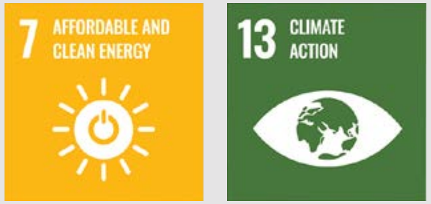


ENVIRONMENT AND BIODIVERSITY

Mining can be land and water intensive, affecting wildlife and vulnerable species. The loss of biodiversity is happening at an alarming rate. There is a growing recognition that biodiversity is a global asset of great value to humanity's economic and social development. The UN Convention on Biological Diversity has released The Post-2020 Global Biodiversity Framework[2], to guide actions to put biodiversity on a path to recovery by 2030.

In 2022 Nordic Mining adopted an ambitious goal of net gain for biodiversity for our operations[3]. We are implementing management systems to avoid, reduce and restore loss of biodiversity from our activities for the life of mine. Where we are not able to fully restore loss, we will find ways to compensate.

Extractive waste is one of the biggest environmental challenges facing the mining sector. Nordic Mining will use best available techniques for waste management to promote safety and reduce environmental risk. We will maximize resource utilization, explore backfill options and contribute to innovation to find alternative use of waste materials for existing or new value chains.



ENERGY EFFICIENCY AND CLIMATE ACTION

The impact of climate change is widely recognized. The Paris Agreement sets ambitious goals to limit global warming to below 2°C and the European Union aims to be a climate-neutral economy by 2050. Realizing a low-carbon future requires a large-scale transition to clean energy sources such as solar photovoltaic ("PV"), wind, hydro-electric and geothermal heat. Mining companies play a vital role in supplying minerals for transitioning to green energy. The manufacture of solar panels, wind turbines, and batteries will shape the supply and demand for critical minerals for the foreseeable future. Although clean energy will consume substantially more metals, the carbon emissions for these technologies are only a fraction (6%) of the emissions generated by fossil-based technologies[4].

Nordic Mining will contribute to green technologies with our mineral products. We will work to minimize our carbon footprint by implementing management systems to reduce energy consumption and explore solutions to avoid fossil fuel dependency. We are committed to be transparent about our carbon footprint by publicly disclose carbon emissions from our operations and provide benchmarking data for our products when possible. By collaborating with suppliers and customers, we aim to reduce emissions though out the value-chains.

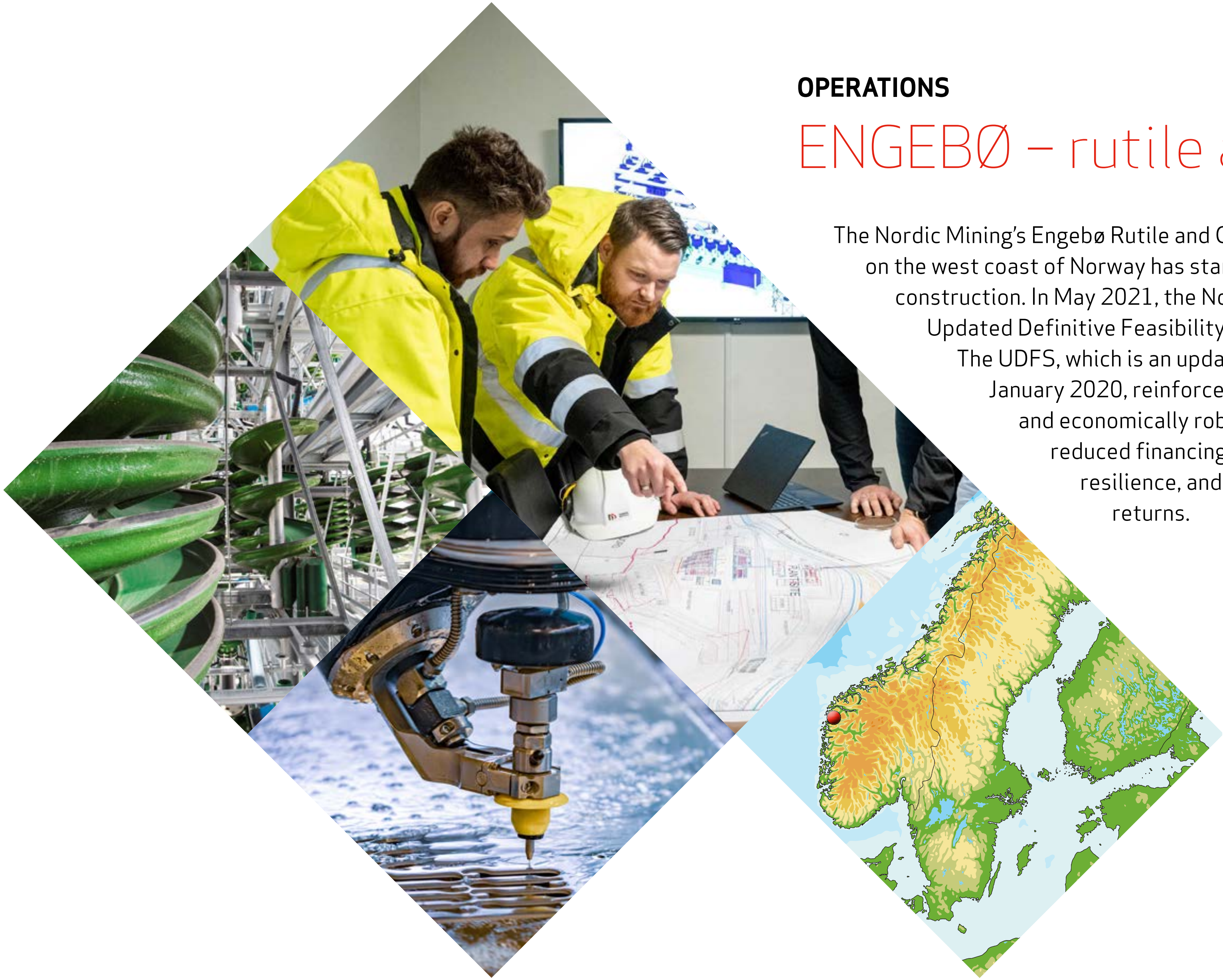
SOCIAL RESPONSIBILITY

Mining companies are often located in remote areas alongside small communities that are dependent on the mine for employment, income and to maintain its livelihood. This places a large responsibility on mining companies to provide a predictable future for communities where they operate. By supporting economic diversification, companies can contribute to enhance the community's resilience.

Nordic Mining aims to establish cornerstone companies in the communities we operate and contribute to long-term local employment, education and positive impact on people's livelihood. We will contribute to the well-fare of our communities, also post mining, by supporting initiatives to promote community development.

Our goal is to build platforms for meaningful information sharing and interaction with communities and key stakeholders based on transparency and trust. We will respect the cultural, political, and social diversity in areas we operate and value local knowledge and capabilities in building joint solutions with the Company.

1. https://www.resourcepanel.org/reports/mineral-resource-governance-21st-century (Mineral Resource Governance in the 21st Century: Gearing Extractive Industries Towards Sustainable Development)
2. https://www.cbd.int/
3. Net-gain means that the positive contribution outweighs the loss of biodiversity from the operation
4. https://pubdocs.worldbank.org/en/961711588875536384/Minerals-for-Climate-Action-The-Mineral-Intensity-of-the-Clean-Energy-Transition.pdf



OPERATIONS

ENGEBØ – rutile and garnet

The Nordic Mining's Engebø Rutile and Garnet project ("the Project") on the west coast of Norway has started preparation for construction. In May 2021, the Nordic Mining announced an Updated Definitive Feasibility Study ("UDFS") for Project. The UDFS, which is an update of the DFS completed in January 2020, reinforces Engebø as a sustainable and economically robust mineral project with reduced financing risk, improved financial resilience, and attractive financials returns.

The UDFS unlocked considerable environmental, technical, and financial optimizations of the project. Reduction of environmental and social footprint has been integrated in the development of Engebø, and several optimizations have been made to further improve the sustainability of the project. Reengineering of the drying circuit has proved that the use of electrical dryers for drying of minerals in the production process is technically feasible. The electrical dryers, which are based on proven technology, will be powered by clean locally sourced hydroelectric power, providing a reduction in the CO_2 emissions from the project by around 80%, and in effect make the Engebø process plant CO_2 neutral. Moving from modular-based construction, in which prefabricated modules are transported by sea to Engebø, to on-site stick-build-construction has provided a reduction in the physical footprint of the process plant of more than 40%, meaning that more land will be preserved, and reduction of capital expenditure. Improvements in the process flow sheet has provided that the consumption of chemicals can be reduced by 99% compared with the chemicals in the discharge permit approved in 2015, reducing the environmental risk. The change in process chemicals has been approved by the Norwegian Environment Agency with a revised discharge permit being granted in January 2021, which was confirmed by the Ministry of Climate and Environment in November 2021. The process plant has been designed with a high degree of automation and digitalization to allow for efficient utilization of energy and consumables, and to build a safe and modern working environment.

The main improvements and risk-reducing measures in the UDFS are:

- Reduced environmental footprint; 99% reduction in consumption of approved chemicals in the production process (compared with the 2016 environmental permit), around 80% reduction of CO_2 emissions and approximately 40% reduction of the process plant facilities footprint compared with the DFS
- Contract and execution strategy based on EPC partnerships and early vendor engagement
- Stick-build construction methodology and improved ore flow logistics
- Reduced initial investment needed to realize the project from USD 311 million to USD 218 million, maintaining a Run-of-Mine ("ROM") of 1.5 Mtpa
- Reduced process operating cost by more than 25% following from flowsheet optimizations, including reduction in energy costs from use of electrical dryers for drying of minerals

Engebø UDFS illustration.

- Improved mining design for open pit and underground focusing on practical and cost-effective operations. Mining schedule in open pit has been optimized for the initial years and the underground mining schedule targets higher grades and a simplified infrastructure
- Reduced market risk based on post-pandemic market forecasts for rutile and garnet, retaining flexibility to increase garnet production in line with increasing demand
- Attractive project economics with considerable reductions in market, financing, and execution risks

- Key economic figures[5]:
  - Pre-tax NPV@8% of USD 355 million
  - Pre-tax IRR 22.5%
  - Post-tax NPV@8% of USD 260 million
  - Post-tax IRR 19.8%

- High-margin cash flow and short pay-back support bankability:
  - Initial capital investment of USD 218 million
  - Life of Mine EBITDA of USD 2.1 billion, corresponding to an EBITDA-margin of 68%
  - Life of Mine Operating Cash Flow of USD 1.7 billion
  - Free Cash Flow the first 10 years of full operations of USD 51 million per annum
  - Pay-back period of 4.4 years from start of production

- Optimized schedule and dual mineral production provide competitive strength:
  - Outcropping and geotechnically stable orebody
  - Low stripping ratio (waste to ore ratio) of 0.6 in open pit
  - High-grade rutile and garnet
  - Short distance and gravity supported ore transportation minimize transportation
  - 1st quartile revenue-to-cash cost position for rutile

- Optimized mining plan and scheduling support an initial 39-year Life of Mine:
  - 15 years of open pit mining and high-grade processing, and stockpiling of medium/low-grade ore
  - 19 years underground production
  - 6 years production based on stockpiled ore
  - Extension of Life of Mine expected based on substantial inferred resources

- All permits granted:
  - Extraction permits for the whole deposit
  - Operational license for open pit and underground mining[6]
  - Landowner agreements for open pit, infrastructure, and process plant areas
  - Detailed zoning plan
  - Environmental permit

- High environmental and social standards in accordance with IFC Performance Standards and relevant Equator Principles

Milestone first part of project financing completed

In January 2022, Nordic Mining completed the first part of the equity project financing for the Engebø Rutile and Garnet Project of NOK 132.5 million from a group of local Sunnfjord investors led by two of the Engineering, Procurement and Construction ("EPC") partners for the Engebø Project.

The equity contribution is structured as a loan with conversion rights to shares in Nordic Mining ASA, with certain obligations on specific terms and milestones as the project development progresses. The convertible loan will upon conversion contribute as part of the equity for the project financing package for the Engebø Project, expected to be around USD 250 million comprising debt, equity and potential hybrid capital or royalty. The investment was resolved by the Extraordinary General Meeting ("EGM") on 4 February 2022.

The loan has enabled Nordic Rutile to acquire the real properties from the main landowners at Engebø and start preparatory works on the properties, continue detailed project planning and start procurement process for critical process equipment, and groundworks on the industrial area, in preparation for start of construction.

The Company is currently progressing its assessment of several financing structures for the remaining of the project financing and targets a financial close in H1 2022, subject to the final approval from the Ministry of Trade, Industry and Fisheries ("MTIF") on the operational license.

Lump sum EPC contracts signed for over 75% of construction cost

The execution strategy for the Project was as part of the UDFS revised to enable an efficient and compact stick build methodology. By bundling around 80 equipment packages into 4 main EPC contracts, as well as free issued items to the EPC contractors, the execution structure has been simplified. Nordic Rutile has signed, over the course of the second half of 2021 and year-to-date 2022, lump sum contracts for the Engineering, Procurement and Construction ("EPC") for the Engebø Rutile and Garnet project with selected EPC partners Sunnfjord Industripartner AS, Åsen & Øvrelid AS and Nordic Bulk AS and Normatic AS. The four EPC contracts comprise lump sum price for the agreed scope of work agreed in the EPC contracts and cover around 75% of the total UDFS plant and mine capital expenditure of USD 203.4 million.

Taking action to ensure sustainability at Engebø

Nordic Mining is taking a proactive approach to ensure that the Engebø project will be developed based on high standards for sustainability. We are in the process of adopting the Towards Sustainable Mining ("TSM") Initiative for the Engebø project. TSM is a globally recognized standard for measuring sustainability performance and to manage social and environmental risk. The framework is currently being implemented by the Norwegian Mining Association and the first test reporting for the Norwegian mining industry is expected

5. For description of Alternative Performance Measures ("APM") used for Engebø Rutile and Garnet and Keliber see page 67.
6. Has been appealed, still to be finally confirmed by the Ministry of Trade, Industry and Fisheries.

to take place in 2023[7]. Nordic Mining aims to reach an A-level, best practice performance, for the Engebø project prior to operation. As part of this work, we are implementing a comprehensive Environmental and Social Management System ("ESMS") for the Project. Through the ESMS we aim to ensure that the project adheres to permits and regulation and best international practices[8] from construction, operation, and closure.

We have put an ambitus long-term goal of biodiversity net-gain for the Engebø Project for life of mine. This means that we will continously work to reduce, restore, and compensate biodiversity loss at the mine site. If we are not able to restore 100 percent, we will look at increasing biodiversity in the region. As part of this, we are developing a Biodiversity Plan in collaboration with DNV. The plan will define habitats in the project area, assess potential effects, implement measures, and make plans to compensate.

I order to assure that the construction phase meet our standards on sustainability, we have made a Construction Environmental Management Plan ("CEMP") to ensure adherence to environmental obligations for owners' team, contractors, and suppliers throughout the construction phase. Potential environmental risks are identified, and actions plans are prepared to reduce the risk of environmental accidents and to enhance performance.

To learn and control how we impact environment, we will put in place a comprehensive environmental monitoring program using state of the art technology. Monitoring has been started to supervise potential effects from construction activities related to airborne dust, vibrations and noise, and risk for emissions to fjord surface water and freshwater bodies. In line with the provisions of the environmental permit, a monitoring program for migrating smolt (juvenile salmon) was started in April 2021. The program will cover two migration seasons, 2021 and 2022, and secure valuable information of migration prior to production start-up at Engebø. The aim is to avoid any effects on smolt related to blasting activities at the mine site.

The Company will ensure that the communities and other stakeholders that are potentially affected by our operations are well informed and are given opportunities to engage with us. We will work proactively to understand people's needs and concerns and seek solutions to mitigate these throughout the construction phase and into operation. In 2020 the Company established a resource group consisting of key local stakeholders that serves as a platform for participation in our environmental monitoring. We have adjusted our monitoring program, based on input from the resource group, to meet stakeholder expectations.

One of the greatest challenges in the mining industry is to sustainably manage extractive waste. To address this, we have made a waste management plan for waste handling throughout our operation. The plan builds on the EU's Best Available Techniques for extractive waste management[9]. The aim is to ensure that proper measures and procedures are in place to reduce effects on the environment, and any resultant risks to human health related to our waste rock and seabed tailings facility. The plan also addresses measures to reduce and utilize waste streams.

We have a long-term planning perspective for the Engebø mining operation. A conceptual rehabilitation and closure plan was completed early in 2022 and outline a management system to ensure that we can successfully rehabilitate the mine site at closure. In line with our biodiversity goal, we aim for a high degree of restoration to return the area to nature and enable meaningful use for the local population's post-closure.

Supplying sustainable products

Engebø rutile will be refined to several end-products that can positively impact human life. Titanium is contributing to human health by its use as long-lasting implants in the human body. It is also used in creating more healthy living environments, when used in concrete to capture air pollution. Titanium metal plays a

7. https://www.norskbergindustri.no/artikkelarkiv2/tsm2/
8. The ESMS is made in accordance with the IFC Performance Standards.
9. Best Available Techniques (BAT) Reference Document for the Management of Waste from Extractive Industries in accordance with Directive 2006/21/EC.

role in lowering carbon footprint. The metal is used in constructing light weight airplanes to lower their fuel consumption and carbon emissions. It is also a critical ingredient for equipment to withstand high temperatures and corrosion in geothermal energy plants.

In March 2022 SRK Consulting (UK) Ltd, conducted an analysis to compare the Green House Gas ("GHG") emissions associated with the Engebø project, with existing operators in the global titanium value-chain. The comparative study shows that the Engebø rutile and garnet has the lowest carbon footprint compared to five major operators. The annual GHG footprint of the Engebø project is 3058 tons of CO_2e with an estimated carbon intensity of 0,01 tCO_2e per ton finished product, which is one to two orders of magnitude lower than comparable operators. To further assess and benchmark the environmental performance and global warming potential of our rutile product a Life Cycle Assessment ("LCA") has been initiated together with UK based Consultant, Minviro. Results from the LCA will be published during Q2 2022.

Garnet from Engebø is an industrial mineral suitable for water jet cutting applications. Water jet cutting is an efficient high precision cutting process used for cutting a wide range of materials including plastics, glass to steel. The cutting technology provides a safe and environmentally friendly alternative as it can be done without any chemicals or heat, and produces no vapor, smoke, or airborne dust. Since garnet particles are trapped in water in the cutting process, they can be filtered out to be recycled or safely disposed after use. Garnet is a silica free, non-toxic product and can be safely handled by operators.

Engebø operating license completes the main regulatory permits

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.

In November 2020 the Directorate of Mining confirmed that the appeals received in relation to the operating license did not provide any basis to revoke or changes the decision. The matter has been forwarded to the MTIF for final decision. The Company is awaiting the final decision from the MTIF 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. The revised environmental permit was in January 2021 granted by the Agency, commenting that the significant reduction in chemical consumption will have lower impact on the environment than the previous planned consumption. The Agency's decision was confirmed by the Ministry of Climate and Environment in November 2021. The decision from the Ministry of Climate and Environment is final.

In February 2022, Sunnfjord Municipality approved the building permit for all infrastructure groundworks for the Engebø Project. The permit is in line with the UDFS and the EPC contracts. The building permit was confirmed by the County Governor in April 2022 following a appeals process.

The finally approved building permit by the County Governor with already approved demolition permit for existing buildings and agreement with county road authority, completes the formal requirements for starting construction work at Engebø. Permits for general and process plant buildings will be applied for in due course according to finalization of detail engineering by the EPC in line with the construction plan.

Full victory for Nordic Rutile in the court case against Artic Mineral Resources

In October 2021, the Oslo District Court ruled, following an 8-day court hearing, in favor of Nordic Rutile on all items in the court case with Artic Mineral Resources ("AMR"), which in March 2021 summoned 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. The ruling from the District Court confirms that Nordic Rutile's extraction rights are valid and that the company has the right to extract and – within the limits of the Norwegian Mining's Act – utilize garnet and all other minerals on the Vevring side of the Engebø deposit, and conversely fully rejects AMR's claim. The ruling was appealed by AMR in November 2021. The appeal mirrors the factual and legal arguments that AMR presented to Oslo City Court, and which the court rejected. The appeal hearing is scheduled to take place 19–28 September 2022 in Borgarting Court of Appeal. Nordic Rutile will continue to defend the case rigorously and maintain that AMR's claims have no merit.

Long-term offtake agreements signed for the full production of rutile from Engebø

In July 2021 Nordic Mining signed term sheets for offtake of rutile with a reputable Japanese trading house and Kronos (US), INC., a globally leading pigment producer and, which subject to the entering into of the final offtake agreement, will secure sales for all the annual production of rutile for the first five years of production.

Nordic Mining increased over the course of 2021 the marketing efforts to secure offtake for garnet, and the Company is currently in constructive discussions with selected partners for offtake and distribution of garnet to Europe and overseas markets.

Long-term fundamentals for rutile and garnet supply continue to improve the outlook for Engebø
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.

Bulk rutile prices continued to increase in the fourth quarter of 2021 as the pigment market remained strong over the quarter and feed-stock demand continuing to exceed supply. The tight supply has limited producers from rebuild inventories resulting in inventory levels below seasonal norms. Pigment price are now at ten-year highs after announced price increases of up to USD 280 per tonne announced for Q1 2022, as producers attempt to cover increased energy and raw material cost. The supply-side tightness is exuberated by continued logistics issues and other disruptions in South Africa continue to impact titanium feedstock supply

TZMI revised their 2022 bulk rutile price forecast to over USD 1,400/mt FOB in Q3-2021, corresponding to a price increase of close to 15% compared to the forecasted average bulk price in 2021. Rutile prices for Q4-2021 has been reported to be up close to 9% compared to Q3-2021 to USD 1,350/mt FOB. Real long-term bulk rutile prices are expected to remain in the range USD 1,300–1,320/mt FOB, which is USD 120–140/mt above the long-term rutile price used in the UDFS in May 2021, and below the reported rutile prices for the quarter. TZMI is expected to come out with a new long-term forecast for rutile in Q1-2022.

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.

OPERATIONS

STRATEGIC ASSETS AND INITIATIVES

In addition to Nordic Mining's flagship project at Engebø, and its 12.0% ownership in Keliber (31 December 2021: 12.7%), the Group continues its engagement in other strategic initiatives. This includes patented rights for a new technology for production of alumina which are jointly owned with the Institute for Energy Technology. The Group has also taken initiatives related to seabed mineral exploration in Norway and participated in the MarMine research project. Nordic Mining is a participant in the research project NorGiBat with focus on production of batteries and connected value chains.

SEABED MINERALS
– Research and Knowledge Building

Nordic Mining has taken pioneering initiatives related to seabed mineral exploration and knowledge building in Norway through the fully owned subsidiary Nordic Ocean Resources. 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. 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.

Nordic Mining have, 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, increased the efforts to commercializing the Groups understanding and positioning on seabed minerals developed through the pioneering initiatives of NORA.

ALUMINA
– Sustainable 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 CO_2 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 CO_2 per million tonne of alumina which corresponds to the emission from a medium sized oil and gas platform. The CO_2 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.

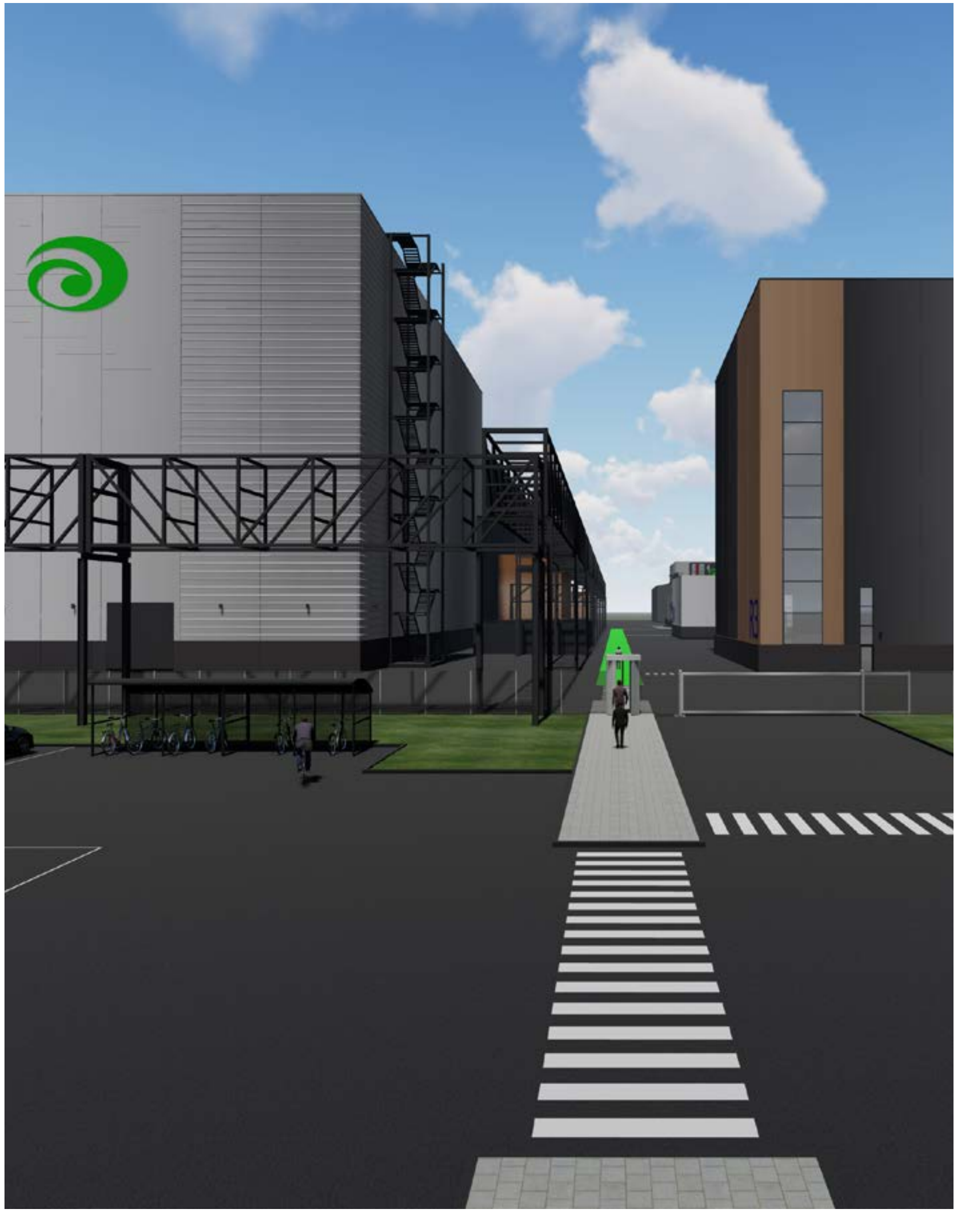
With the granting of the AlSiCal project an ambitious 4-year work plan is in place to further develop the patented technology visit: https://www.alsical.eu/). The AlSiCal Project consortium comprise of 16 international partners from 9 countries.

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 CO_2 capture. Nordic Mining is actively participating in the project, leading one of the work packages focused on raw material sources and leaching optimization. Nordic Mining will assess how the patented technology and the Group's knowledge and position related to sustainable alumina production can be commercialized.

FINANCIAL INVESTMENT

KELIBER – lithium

Keliber is progressing its lithium project in Finland towards realization and targets to be the first European producer of battery-grade lithium hydroxide. Market outlook for batteries is positive, mainly driven by the ongoing transition to greener solutions for transportation and renewable energy production. Nordic Mining owns 12.0% of the shares in Keliber at the time of this report.



Keliber's Lithium Project value increases over 220% to EUR 1.2 billion in Updated Definitive Feasibility Study

In March 2022, Keliber released the Updated Definitive Feasibility Study ("UDFS") for the Lithium Project in Central Ostrobothnia, Finland. The updated study confirmed, according to Keliber, a solid financial and technical feasibility, with significant improvements in the key financials compared to the Definitive Feasibility Study ("DFS") from 2019.

Key economic figures from Keliber's UDFS (numbers in brackets relate to the comparable numbers from DFS from 2019)[10] :

- Post-tax NPV@8% of EUR 1,228 million (EUR 384 million)
- Post-tax IRR 31% (24%)
- Payback period (from start of production) 3.5 years (4.1 years)

Nordic Mining's carrying amount for the investment was as of 31 December 2021 NOK 190.5 million based on a fair value assessment using comparable valuation analysis using industry practice P/NAV and EV/Resource multiples from a peer-group of lithium developers at PFS/DFS. The fair value assessment assumed a Post-Tax NPV on 100% basis of around EUR 365 million at 8% real discount rate as derived from the investor material provided by Keliber in relation the investment by SSW in Q2 2021. For details related to the Group's fair value assessment as per 31 December 2021 see Note 12.

Emissions comparison indicates that Keliber's lithium hydroxide will have a smaller carbon footprint than most of the competitors' products

In March 2022 Keliber released the results of two emission analysis undertaken by the consulting company Wood Mackenzie based on analysis of seven existing or planned global lithium chemicals production chains and a Life Cycle Assessment ("LCA") undertaken by Vahanen Environment Oy, a Finnish environmental consultant.

The comparative study indicates that Keliber's lithium hydroxide will have a smaller carbon footprint than most of the competitors' products, with the lowest emission intensity of 4.38 tonnes of CO_2/produced tonne of lithium hydroxide monohydrate (LiOHĐH_2O). Keliber's total carbon footprint measured in the LCA is 10.0 t CO_2-eq/produced tonne of LiOH.H_2O. The LCA is according to Keliber a cradle-to-gate analysis that covers all production stages from the mine to a finished product leaving the lithium chemical plant. The production from Keliber is planned to begin in 2024.

Lithium prices have continued the surged in 2021 driven by 160% increase in global EV sales

Keliber targets to be the first producer in Europe of battery-grade lithium hydroxide. Significant European initiatives related to battery chemicals and battery production are

10. For description of Alternative Performance Measures ("APM") used for Engebø Rutile and Garnet and Keliber see page 67.

under development. Building a strong value chain for lithium in Europe have a strong focus and priority, both for industries and authorities.

Electric vehicle ("EV's") sales are reported to have increased by 160% globally in 2021, with deliveries in China expected to double to over 5 million sales in 2022. This has fueled a continuation of the rally in lithium price which, with spot lithium hydroxide prices in China reported have surged 25% the first month in 2022 to USD 60,000 per tonne as battery manufacturers race to secure long-term supply contracts. In January 2022, the Serbian government revoked the license for Rio Tinto's USD 2.4 billion Jadar lithium project which, if completed, would help make Rio a top 10 lithium producer with planned production to produce enough lithium for 1 million electric vehicle batteries.

Leading international mining company Sibanye Stillwater Limited increases ownership in Keliber

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 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 the issue 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%. In line with the agreement with SSW the second tranche their initial investment of EUR 10 million was closed in September 2021, making SSW the largest shareholder in Keliber with a shareholding of 26.7%. Following the closing of SSW second tranche in September 2021, Nordic Mining ownership in Keliber was diluted from 14.3% to 12.7%, which was the ownership as per year end 2021. In March 2022, the Group's ownership was further diluted to 12.0% as result of closing of the third and final tranche of SSWs initial phased investment of EUR 5 million.

Reserves of Keliber's largest lithium deposit increased by 30%

Keliber announced on 15 September 2021 an update of the company's ore reserve estimate, with an effective date as of 31 August 2021. The update is based on the revised mineral resource estimate, published in May 2021. Keliber's total proven and probable ore reserves have increased to 12.30 million tonnes, representing a growth of 32 percent, compared to the previous estimate published in December 2019. Keliber's ore reserve and mineral resource estimates comply with the JORC 2012 code. See Financial Performance and Note 12 on fair value assessment of the investment in Keliber as per 31 December 2021.

Main permits in place for start of construction

Environmental permit applications for all main activities have been submitted. The Environmental Impact Assessment ("EIA") report for the concentrator and main mining areas was submitted to the authorities in November 2020. In June 2021 Keliber submitted applications for environmental and water management permits for the Rapasaari mine and the Päiväneva concentrator, following the Vaasa Administrative Court rejection of the appeals to the permits. The environmental permit application for the Kokkola chemical plant was submitted in December 2020. In June 2021 the ELY Centre for South Ostrobothnia issued a reasoned conclusion on the EIA report for the Kokkola chemical plant stating that the plant does not have a significant environmental impact. In March 2021, Keliber was granted a mining permit for the Rapasaari mining area by the Finnish Safety and Chemicals Agency ("Tukes"). The mining permit was applied for the mining of lithium ore from the Rapasaari deposit and for the placement of a concentrator plant in the nearby situated Päiväneva area. The Rapasaari deposit is located only 2 km southeast of Keliber's Syväjärvi deposit, for which the mining permit became legally valid in January 2019. These two deposits comprise 82% of Keliber's current ore reserves.

BOARD OF DIRECTORS' REPORT

Nordic Mining's (the "Company") assets comprise the following subsidiaries (jointly, the "Group"):

- Nordic Rutile AS (100%): Engebø Rutile and Garnet project
- Nordic Quartz AS (100%): High-purity quartz
- Nordic Ocean Resources AS (100%): Seabed mineral exploration

In addition, Nordic Mining owns 12.0% (31 December 2021: 12.7%) of the shares in the Finnish lithium company, Keliber Oy. The investment is classified as a financial investment.

INTRODUCTION AND OVERVIEW

The Group's project portfolio comprises of world class development assets that are diversified across high-end industrial minerals with largely uncorrelated end-user markets. The assets, and in particular the wholly owned Engebø project and the ownership in the Keliber lithium project, hold significant economic potential, and combined with a debt-free balance sheet provide a solid value basis for Nordic Mining's shareholders. For more information about the Group's projects and financial investment in Keliber, see page 7-17 of this annual report.

GROUP PROJECTS

Engebø Rutile and Garnet

The Engebø deposit is one of the largest unexploited rutile deposits in the world and has among the highest grade of rutile (TiO_2) compared to existing producers and projects under development. The deposit also contains significant quantities of high-quality garnet.

The techno-economic feasibility of the wholly owned project was reinforced in the UDFS completed in May 2021, which unlocked considerable environmental, technical, and financial optimizations of the project. This includes a 40% reduction in physical footprint, a 99% reduction of process chemicals, and around 80% reduction of CO_2 emissions.

Key economic figures[11]:

- Post-tax NPV@8% of USD 260 million
- Post-tax IRR 19.8%
- Initial capital investment of USD 218 million, down from USD 311 million in DFS
- Free Cash Flow the first 10 years of full operations of USD 51 million per annum
- Life of Mine Operating Cash Flow of USD 1.7 billion
- Pay-back period of 4.4 years from start of production

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 decision. The Company is awaiting the final decision from the MTIF and is confident that the operating license will be retained as granted in June 2020.

In January 2021, the Environmental Agency granted – in line with the Company's application to the for substitution of chemicals from the original environmental permit of 2015 – a revised environmental permit for the Engebø Project, commenting that the significant reduction in chemical consumption will have lower impact on the environment than the previous planned consumption. The decision was confirmed by the Ministry of Climate and Environment in November. The decision from the Ministry of Climate and Environment is final and cannot be appealed.

In July 2021 Nordic Mining signed term sheets for offtake of rutile with a reputable Japanese trading house and Kronos (US), INC., a globally leading pigment producer and, which subject to the entering into of the final offtake agreement, will secure sales for all the annual production of rutile for the first five years of production. The Company is continuing to have constructive discussions with potential partners for long-term offtake of garnet.

11. For description of Alternative Performance Measures ("APM") used for Engebø Rutile and Garnet and Keliber see page 67.

Bulk rutile prices have continued to increase 2021, following the slowdown in 2020 as result of the Covid-pandemic, as the pigment market remained strong over the quarter and feed-stock demand continuing to exceed supply. The tight supply has limited producers from rebuilding inventories resulting in inventory levels below seasonal norms. The strong demand cycle for pigment is opting producers to maintain high utilization rate. Pigment price are now at ten-year highs after announced price increases of up to USD 280 per tonne announced for Q1 2022, as producers attempt to cover increased energy and raw material cost.

FINANCIAL INVESTMENT

Keliber lithium hydroxide

Nordic Mining remains positive to the battery minerals segment and to the investment in the Finnish lithium company, Keliber. Keliber targets to be the first producer in Europe of battery-grade lithium hydroxide. Over the last years, Keliber has consistently increased the resource base for its lithium project and further updates are expected.

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 line with the agreement the second tranche of SSWs initial investment of EUR 10 million was closed in September 2021, making SSW the largest shareholder in Keliber with a shareholding of 26.7%. Following the closing of the last tranches of EUR 5 million from SSW investment in March 2022 Nordic Mining ownership in Keliber was diluted 12.0%.

In March 2022, Keliber released the Updated Definitive Feasibility Study ("UDFS") for the lithium project. The updated study confirmed, according to Keliber, a solid financial and technical feasibility, with significant improvements in the key financials compared to the Definitive Feasibility Study ("DFS") from 2019. For details of Keliber's UDFS see Financial Investment on page 16.

FINANCIAL PERFORMANCE

For comparison, numbers in brackets relate to the comparable 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 costs for the Group for 2021 was NOK 60.7 million (NOK 42.5 million), largely resulting from activities related to update of the Definitive Feasibility Study for the Engebø which was finalized in May 2021 and later pre-construction work to advance selected Detailed Engineering work originally part of the UDFS construction work, as well as general corporate expenses. The pre-construction work undertaken in 2021 of NOK 18.0 million will to a large extent be deductible towards the Engebø capital expenditure of USD 203.4 million. In 2021, the Group has capitalized costs relating to licenses at Engebø of NOK 0.5 million (NOK 2.2 million).

In the third quarter of 2021 the Group reassessed the fair value of Keliber to from EUR 40 per share to EUR 64 per share. The fair value assessment considers available information related to the developments in Keliber, the lithium project, and in particular the development of lithium prices and lithium development equities as described in Note 12. The fair value of EUR 64 per share was retained for the year-end 2021. Please see note 12 for further information. This values the Group's shares in Keliber to NOK 190.5 million, which is the carrying value as per 31 December 2021 (NOK 100.1 million) resulting in a gain on the investment after correcting for the Group's participation in the share issue in 2021 of NOK 66.4 million (2020: NOK 9.3 million gain) for the year. For details related to the Group's fair value assessment see Note 12.

Reported net result for the Group in 2021 was NOK 5.4 million (NOK −32.9 million), resulting from the positive developments in the fair value of Keliber over the financial year.

Net cash outflow from operating activities in 2021 was NOK 60.0 million (NOK 41.8 million), largely resulting from activities to finalize UDFS and ongoing activities to prepare Engebø for construction. Net cash outflow from the Group's investment activities in 2021 was NOK 25.9 million (NOK 0.4 million), whereof NOK 24.0 million relate to the participation in the Keliber share issue in first half of 2021, whereof the remaining relate to capitalized costs relating to licenses at Engebø Net cash inflow from financing activities in 2021 was NOK 75.7 million (NOK 53.8 million) resulting from the share issue in February 2021. For more information, see Note 15.

Nordic Mining's total assets as of 31 December 2021 was NOK 255.3 million (31.12.2020: NOK 173.7 million), and total equity was NOK 245.7 million (31.12.2020: NOK 164.3 million). The Group had no interest-bearing debt.

The Group's cash and cash equivalents as of 31 December 2021 was NOK 32.1 million. The Group remains fully funded for the continuation of the Engebø project towards construction, including continuation of pre-construction work, and other Group activities, based on current plans and forecasts. In January 2022, Nordic Mining completed the first part of the project financing equity for the Engebø Rutile and Garnet Project of NOK 132.5 million from a group of local Sunnfjord investors led by two of the Engineering, Procurement and Construction ("EPC") partners for the Engebø Project.

The equity contribution is structured as a loan with conversion rights to shares in Nordic Mining ASA, with certain obligations on specific terms and milestones as the project development progresses. The convertible loan will upon conversion contribute as part of the equity for the project financing package for the Engebø Project, expected to be around USD 250 million comprising debt, equity and potential hybrid capital or royalty. Reference is made to Note 25, in the consolidated financial statements for information relating to the convertible equity contribution.

Based on current forecasts and plans, the Board considers that the Group's working capital is satisfactory to secure payment of financial obligations for at least 12 months from the time of this report. The Board confirms that the financial statements have been prepared on the basis of a going concern assumption and in accordance with section 3-3a of the Accounting Act.

RISK MANAGEMENT

The Group is exposed to a number of risks that may affect its business, including political and regulatory, market, operational and financial risks. In the opinion of the Board, the Company has implemented management systems that are satisfactory to address risk management and internal controls for the current stage of the Group.

Political and regulatory risk

Nordic Mining depends as resource company in the mining industry on permits and licenses from relevant authorities. In June 2020, the Directorate of Mining granted the operating license for the Engebø project. This completed 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 zoning plan for the mining and processing areas, including detailed regulations, and the environmental permit for the project are finally granted with no possibilities for appeal.

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 Company is awaiting the final confirmation from the Ministry of Trade, Industry and Fisheries, and is confident that the operating license for the Engebø project will be retained as granted in June 2020. Whether and when permits will be granted, and the terms and conditions stipulated related to regulatory matters, are not fully within the Group's control.

Financial risk

Financial risk includes liquidity risk, currency risk and interest rate risk. The Group's liquidity management is coordinated by the Group's CFO with the assistance of SumitUp AS, which has been engaged to provide accounting services. The Board has established rules governing the authorizations of the CEO, and the CEO has established rules governing the authorizations of the CFO.

Nordic Mining's cash balances are deposited in bank accounts in Norwegian Kroner (NOK). The Group's main foreign currency exposure at current relates to the financial investment in Keliber (EUR) The fair value and possible proceeds of the Group's investments in Keliber will change based on the value of NOK relative to EUR. Following the decision to construct the Engebø Project and later start of operations a large percentage of the Group's revenues and cash receipts will be denominated in EUR and USD, with a large percentage of income taxes, operating expenses, capital expenditures and dividends in NOK. The Group plans as result to have a large part of the Group's financial indebtedness in USD and/or EUR to reduce the overall economic currency risk. Net investment hedge accounting will be considered applied, when possible, to reduce effects of foreign exchange translation in the Group's Profit and Loss.

Going forward, the Group will require further financing to develop its projects towards production. The development of the Group's properties, licenses and exploration rights depends on the Group's ability to obtain financing through equity financing, debt financing or other means.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to pay its financial obligations as they fall due. The Group has so far mainly used equity financing to meet liquidity requirements related to financial obligations, to cover operational losses, and for investments. The Group had no interest-bearing debt as per 31 December 2021.

Market risk

Mineral prices can be affected by external factors such as global economic developments, competition etc. which are beyond the Group's control. Measures to mitigate this type of risk, e.g. through use of financial instruments and/or pricing structures in offtake agreements, will be implemented as the mining assets gets closer to production.

Operational risk

Mineral extraction is a high-risk activity. Generally, few investigated areas develop into producing mining operations. Long-term returns in Nordic Mining will depend on the success of the Group's exploration, development, and operational activities.

Nordic Mining is exposed to normal business risk associated with contracts with various suppliers.

Climate-related risks

Sustainability is integrated and embedded into Nordic Mining's strategy and decision-making processes. The Group's Sustainability Policy states that the aim is to reach an A-level performance standard for all our operations according to the Towards Sustainable Mining ("TSM") Standard. Comprehensive Environmental and Social Management Systems ("ESMS") to avoid, mitigate, restore and compensate environmental and climate impacts are implemented for all projects. Overall, the climate-related financial risk for Nordic Mining is considered to be low and there is minimal risk for stranded assets. Climate-related financial risks can be described as physical risks, including extreme weather events and natural disasters, as well as transition risks, including emerging policy and legislation, technological innovation and market and reputation risk. Nordic Mining will implement the Task Force on Climate-related Financial Disclosures ("TCFD") framework to ensure a transparent and effectively disclose climate-related financial risks and opportunities. For details on the Group's strategy for Environmental, Social and Governance ("ESG") see Environmental and Social Governance on page 21.

CORPORATE GOVERNANCE

The Group's principles for corporate governance, ethical guidelines and a general management structure are based on the principles of "The Norwegian Code of Practice for Corporate Governance". Reference is made to page 26 for the Board's report on corporate governance.

Nordic Mining's corporate governance policy is founded on prevailing statutory and regulatory requirements and corporate governance is implemented through processes and control measures established to protect the interests of the Company's shareholders and other stakeholders.

The Company has assessed its relations with, and payments to and from, governmental institutions in accordance with section 3-3d of the Accounting Act. For more information, see Note 23 in the consolidated financial statements.

ENVIRONMENTAL AND SOCIAL GOVERNANCE

The Group's strategy for Environmental, Social and Governance ("ESG") is related to its projects and is founded on four main pillars:

- Business ethics and anti-corruption
- Environment and climate responsibility
- Social responsibility
- Safe and healthy work environment

The Group endeavors to maintain a high standard of corporate governance with an emphasis on integrity, ethical guidelines and respect for people and the environment. Development of the Group's projects are carried out in accordance with laws and regulations and with good international industry practice[12]. The Group has not identified any issues regarding human rights, labor rights and social conditions, anti-corruption or environmental footprint that deviates from its standards.

The Board of Directors is responsible for ensuring that adequate governance structures and management systems are in place to ensure that environmental and social issues are managed in accordance with the Group's policies, international standards, as well as prevailing permits and regulations. In 2022 the Group's ESG policy documents have been further developed to include targeted commitments on ethical, environmental and social issues as referred in the following sections.

Business ethics and anti-corruption

Fair play, honesty, and openness are important values for Nordic Mining. Our ability to create value is dependent on applying high ethical standards in relation to the market, its owners, employees, partners, stakeholders, customers, and suppliers.

OUR COMITMENTS

- Promote honest and ethical conduct of all employees, officers, directors, and persons acting on behalf of the Group
- Compliance with all applicable government, regulatory and stock exchange laws, rules, and regulations
- Promote transparency through fair, accurate, understandable, and timely disclosure of information internally and in public communication
- Ensure ethical interactions with government officials and local communities
- Zero tolerance of any form of bribery, corruption, and facilitation payments
- Ensure that employees endeavor to deal fairly and responsibly with the Group's customers, suppliers, and competitors
- No person may use, or contribute to others using, insider information about Group or other companies to subscribe for or trade in securities, either privately or on Group's behalf
- Any person receiving confidential information entrusted to them by the Group shall keep such information confidential also after the person leaves the Group
- Promptly manage conflicts of interest between personal and professional relationships
- No acceptance for any form of discrimination of employees or others involved in the Group's activities
- Ensure that Policy commitments are made known to all employees, contractors, consultants, officers, and directors of the Group
- Promote accountability for adherence to the Policy
- Provide mechanisms to report unethical conduct

Environment and Climate responsibility

Nordic Mining is committed to sustainable exploration, development, and extraction of minerals. We aim to reach an A-level performance standard for all our operations according to the Towards Sustainable Mining ("TSM") Standard. Comprehensive Environmental and Social Management Systems ("ESMS") are implemented for all projects to ensure that our commitments are met.

OUR COMITMENTS

- Conduct comprehensive environmental impact assessments and utilize state of the art environmental monitoring technology to identify environmental risk
- Implement management systems to assess, avoid, reduce, and monitor negative impact on environment and biodiversity throughout the project cycle
- Restore and compensate loss of biodiversity with the long-term goal of net biodiversity gain
- Support conservation of ecosystem services
- Promote development of innovative solutions to alleviate environmental impact
- Minimize footprint of extractive waste
- Contribute to innovation to develop use of waste rock and tailings as raw materials for existing or new value chains
- Use best available techniques for waste management to promote safety and reduce environmental risk
- Be energy efficient by implementing management practices and routines for reducing energy consumption and encourage innovative solutions for energy saving
- Work towards zero emission for our operations, and contribute to reducing value chain emissions by collaboration with suppliers and customers

12. All projects are developed in accordance with IFC performance standards

- Publicly disclose greenhouse gas emissions from Group's operation and provide benchmarking data on emissions for products when possible

Social responsibility

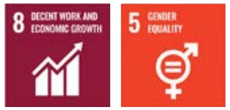
Our social responsibility is closely linked to the local communities where the Group operates. Minerals are often found in scattered populated areas where mineral production opens new opportunities for local development and value creation. Nordic Mining's goal is to build cornerstone companies that have positive impact on people's livelihood, education, and work opportunities. The Group will actively engage with communities and project stakeholders to build sustainable relations throughout the life of mine.

OUR COMITMENTS

- Establish relations based on transparency, trust, and respect with communities and stakeholders in the areas where we operate
- Form platforms for meaningful information sharing, interaction, and engagement with communities and stakeholders
- Respect the cultural, political, and social diversity of communities and value local knowledge and capabilities in building joint solutions
- Identify, analyze, and mitigate negative impact on communities' health and well-being
- Promote initiatives to strengthen economic diversification and positive impact on communities which contributes to their development and resilience
- Recognize the right of access to land and water for Indigenous peoples, and respect their cultures, customs, heritage, and livelihood
- Promote open and timely consultation with Indigenous peoples

Safe and healthy work environment

The employees are the Group's most important resource. A pro-active approach in health and safety matters have high priority and will form an integral part of the planning and development activities going forward.



OUR COMITMENTS

- Build operations with safety embedded in the culture and mindset of the way we work and conduct business
- Map and analyze hazards and risks associated with our activities and products
- Employ measures necessary to eliminate, reduce or control the risks of injuries and health issues related to work environment
- Promote well-being and mental health of employees
- Promote mutual respect among employees regardless of an individual's ancestry, race, gender, religious beliefs, or sexual orientation
- Create inclusive workplaces, in which employees feel valued and are enabled to reach their full potential
- No tolerance for harassment or discrimination

Goals and further work

Nordic Mining's work on sustainability and corporate governance is a dynamic and continuous process which will be developed in line with the Group's growth and progress going forward.

ORGANIZATIONAL MATTERS

Nordic Mining had at the end of 2021 (and at the date of this report) 7 employees (8), of which 4 (5) are employed in the subsidiary Nordic Rutile, and 3 are employed in the Company.

The Board of Nordic Mining consists of three men and two women. Kjell Roland has been Chair of the Board since 2019 and a board member since 2012. The composition of the Board will be evaluated in connection with the annual general meeting in line with customary procedures.

The Company facilitates equal opportunities for professional and personal development regardless of gender. The Company has a reasonable gender balance and strives to maintain a good working environment. The Management team in 2021 comprised three (four) men and one (one) women. Sick absence in 2021 was less than 0.5%, and no safety issues were recorded.

SHAREHOLDERS AND CAPITAL SITUATION

Nordic Mining has one class of shares, each with a nominal value of NOK 0.60. The Company's shares are listed on Euronext Expand Oslo and may be traded without restrictions. The Company has around 7,000 shareholders.
As per late-March 2022, around 20% of the Company's shares were held by shareholders domiciled outside of Norway.

In November 2018, the general meeting approved a share-based incentive program for employees and qualified resource persons. The Board was authorized to award options that in total gives the right to subscribe for up to 4,500,000 new shares in Nordic Mining. In November 2018, the Board awarded options for 3,000,000 options to employees. The exercise price was set to NOK 2.63 per share. In April 2021, an additional 400,000 options were granted at a strike price of NOK 2.62 per share. These options vest at grant date. The option agreements expire in 2022. As per 31 December 2021, the number of options outstanding was 2,825,000.

In February 2021, Nordic Mining completed a private placement with gross proceeds of NOK 80 million pursuant the authorization to the Board to increase the share capital granted by the Company's general meeting held 14 May 2020. The Board of Directors resolved at the same time to carry out a subsequent offering of up to 7,000,000 new shares directed towards existing shareholders. In March 2021, the Board decided not to proceed with the subsequent offering as the price of the share had for an extended period and with substantial volume, traded below the subscription price in the planned subsequent offering. Nordic Mining's share capital as per the date of this report is NOK 137,695,063.20 divided on 229,491,772 shares of a nominal value of NOK 0.60.

In January 2022, Nordic Mining completed the first part of the project financing equity for the Engebø Rutile and Garnet Project of NOK 132.5 million from a group of local Sunnfjord investors led by two of the Engineering, Procurement and Construction ("EPC") partners for the Engebø Project.

The equity contribution is structured as a loan with conversion rights to shares in Nordic Mining ASA, with certain obligations on specific terms and milestones as the project development progresses. The convertible loan will upon conversion contribute as part of the equity for the project financing package for the Engebø Project, expected to be around USD 250 million comprising debt, equity and potential hybrid capital or royalty. The investment was resolved in an Extraordinary General Meeting ("EGM") on 4 February 2022.

Fjordavegen Holding AS shall convert the Loan together with all accrued interest into shares in Nordic Mining upon a share issue in Nordic Mining in relation to final investment decision/delay of final investment decision for the Engebø rutile and garnet project, however, at latest 1 August 2023.

The conversion price will as a starting point be NOK 3.355 per share, i.e., equal to 39,493,294 shares in Nordic Mining upon conversion of the principal amount. This will constitute 14.7% of the share and voting rights in Nordic Mining on a fully diluted basis. The conversion price shall, however, be the lowest of NOK 3.355 and the subscription price in a subsequent share issue in Nordic Mining in relation to final investment decision/delay of final investment decision, or if no such share issue occurs, the lowest of NOK 3.355 and the volume-weighted average trading price the Nordic Mining's share for the last 20 trading days prior to 30 June 2023. Consequently, the number of shares issued upon conversion may be higher than as set out above.

PARENT COMPANY FINANCIAL RESULTS

The net loss for the parent company Nordic Mining ASA for 2021 was NOK 5.2 (NOK 7.0 million). As per 31 December 2021, the total equity for the parent company amounted to NOK 467.4 million (NOK 396.6 million).

The Board proposes that the year's loss of NOK 5,165,852.61 in Nordic Mining ASA shall be transferred to retained losses.

Oslo, 27 April 2022
The Board of Directors of Nordic Mining ASA

Kjell Roland *Chair*	Kjell Sletsjøe *Deputy chair*	Eva Kaijser *Board member*	Benedicte Nordang *Board member*	Antony Beckmand *Board member*	Ivar S. Fossum *CEO*

THE BOARD OF DIRECTORS

Kjell Roland
Chair

Roland holds a Master of Science degree from the department of Economics at the University of Oslo, a lower degree in Philosophy from University of Tromsø and has been a visiting scholar at the Department of Economics and Department Operations Research at Stanford University. Roland was CEO of Norfund (the Norwegian government's investment fund for developing countries) from 2006-2018. Roland co-founded ECON in 1986 and was partner and CEO in ECON Management AS and ECON Analysis for more than two decades. As consultant, he has worked on macroeconomics, energy and environmental issues for private companies, governments, and international organizations such as the World Bank and the Asian Development Bank. Roland is a Norwegian citizen and resides in Oslo, Norway.

Kjell Sletsjøe
Deputy Chair

Sletsjøe holds a Master of Science in Civil Engineering from the University of Science and Technology in Trondheim, Norway and an MBA from Colombia University in New York, USA. Sletsjøe has comprehensive international management experience from mining, coatings and construction industries as well as from consulting. He has been CEO of Rana Gruber AS (iron ore), Lundhs AS (natural stone) and held various top management positions in Jotun Group (coatings) in Norway, UK and Malaysia. Sletsjøe has also worked as a business consultant in McKinsey & Co and Hartmark Consulting and served on several boards in Europe and Asia. He now runs a consulting business and serves as board member of several companies. Sletsjøe is a Norwegian citizen and resides in Sandefjord, Norway.

Eva Kaijser
Board Member

Kaijser holds a Bachelor of Science in Business Administration and Economics with advanced studies in Finance from the University of Stockholm, Sweden. Kaijser has more than 20 years of experience from the mining industry, whereof 11 years in the Boliden group in various positions including top management. Kaijser has been CFO in Northland Resources and CEO in Nordic Mines. Eva Kaijser runs an investment and consulting business, alongside with being a board member in listed and private companies. Kaijser is a Swedish citizen and resides in Stockholm, Sweden.

Benedicte Nordang
Board Member

Nordang is a Naval Architect with a Master of Science from the Norwegian Institute of Technology. She has more than 20 years' experience from the offshore industry, including various management positions from Equinor ASA and Aker Marine Contractors. Nordang has held board positions in the mining industry for more than 10 years, including Nussir ASA and Wega Mining ASA. She currently works as Chief Engineer Project Management & Control at Equinor ASA. Nordang is a Norwegian citizen and resides in Oslo, Norway.

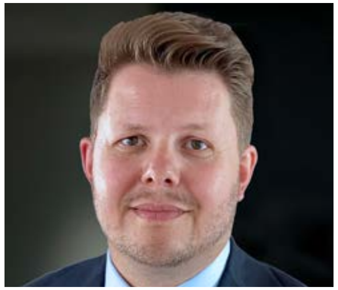
Antony Beckmand
Board Member

Beckmand is a qualified CPA with a Bachelor of Commerce from the University of Western Australia and holds a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. He has more than 20 years' experience in financial, corporate and site management roles within the mining industry. Beckmand is currently CEO of Kuniko Limited in Australia and has previous experience within the mining industry with Kalium Lakes Ltd, Exxaro Resources, Perilya Ltd and Robe River Iron Associates across a range of commodities including iron ore, sulphate of potash, minerals sands, base metals and gold.. Beckmand is an Australian citizen and resides in Norway.

THE MANAGEMENT TEAM

Ivar S. Fossum
CEO

Fossum holds a Master of Science in Mechanical Engineering from the University of Science and Technology ("NTNU") in Trondheim, Norway. He has previously held various managerial and commercial positions within the petroleum and fertilizer industries in the Norsk Hydro Group and in FMC Technologies, including as General Manager of Norsk Hydro East Africa Ltd. and as Chief Executive Officer of Loke AS. Fossum is a Norwegian citizen and resides in Asker, Norway.



Christian Gjerde
CFO

Gjerde holds a Master of Professional Accounting from Griffith University in Queensland, Australia. He has broad financial management experience from NorgesGruppen ASA, Telenor ASA, and Yara International ASA, where he headed finance and investments function for Yara's mining division. Gjerde has extensive experience from international financial markets and project financing, as well as broad financial management experience from large-scale mining projects and operations in Brazil, Canada, Ethiopia, and Finland. Gjerde is a Norwegian citizen and resides in Oslo, Norway.

Mona Schanche
VP Resource and Sustainability

Schanche holds a Master of Science in Resource Geology from the University of Science and Technology ("NTNU") in Trondheim, Norway. She has broad experience from working in the mining industry with various exploration and mine development projects. Schanche has previously worked as Geologist for Titania AS (Kronos Group), a major producer of ilmenite feedstock for titanium pigment production. Schanche is a Norwegian and US citizen and resides in Oslo, Norway.

Terje Gundersen
Project Director, Engebø

Gundersen holds a Master of Science in Industrial Economics with specializations in contract administration and project management from the University of Stavanger. He has a broad experience from industry and consulting, of which 15 years as Project and Portfolio Manager for major projects and project portfolios in Sweco and Aibel. Gundersen has a significant foreign experience, and has worked project-based in Sweden, France, the Netherlands, Italy, China and Singapore and has been an expat for almost a decade. Gundersen is a Norwegian citizen and resides in Askøy, Norway.

Kenneth Nakken Angedal
Operations Director, Engebø

Angedal holds a Bachelor of Automation Technology, Control Engineering from the Western Norway University of Applied Science. Angedal has had the position as Project Manager for the Engebø Project from August 2018 to January 2022. He has broad management and project experience from various technical and management positions in the ABB Group including as Vice President, Digital Services in ABB's Marine Business Unit. Angedal is a Norwegian citizen and resides in Førde, Norway.

CORPORATE GOVERNANCE

Proactive and transparent corporate governance is essential for aligning the interests of our various stakeholders. The Board of Directors (the "Board") of Nordic Mining ASA ("Nordic Mining" or the "Company") believes that good corporate governance drives sustainable business conduct and long-term value creation. Nordic Mining's framework for corporate governance has been implemented to decrease business risk, maximize shareholder value, and utilize the Company's resources in an efficient and sustainable manner for the benefit of shareholders, employees, and society at large.

Implementation and reporting on corporate governance

Nordic Mining targets to comply with the principles in the Norwegian Code of Practice for Corporate Governance (the "Corporate Governance Code") where applicable and will explain possible deviations. The Company's corporate governance framework is subject to annual reviews and discussions by the Board.

The Corporate Governance Code, last revised on 14 October 2021, is available on the Norwegian Corporate Governance Committee's website (www.nues.no). The objective of the Corporate Governance Code is that companies listed on regulated markets in Norway will practice corporate governance that regulates the division of roles between shareholders, the Board, and executive management ("Management") more comprehensively than is required by legislation.

As an issuer of shares on Euronext Expand Oslo, Nordic Mining complies with and operates in accordance with rules governing the Norwegian stock exchange, including the at any time applicable rules of Continuing Obligations of Oslo Rule Book II Section 4.4, as well as the corporate governance principles and practices as required by the Norwegian Accounting Act section 3-3b. The Company has fulfilled its corporate governance reporting requirements.

Business

Nordic Mining's objectives are defined in the Company's Articles of Association which are published on page 71 of this annual report as well as at the corporate website (www.nordicmining.com): "The object of the Company is to carry out exploration for minerals and ores, mining activity, technology development, activities that may be associated herewith, and participation in other companies anywhere in the world."

It is the responsibility of the Board to define clear objectives, strategies, and risk profiles for the Company's business activities and to ensure that these support value creation for shareholders. The Board evaluates these objectives, strategies, and risk profiles at least annually. More details on Nordic Mining's activities and strategies are presented in the Board of Directors' Report on pages 15–19 of this annual report.

Nordic Mining owns 100% of the shares in the subsidiaries Nordic Rutile AS, Nordic Quartz AS and Nordic Ocean Resources AS (jointly "the Group"). In addition, Nordic Mining owns 12.0% of the shares in Keliber Oy (31 December 2021: 12.7%).

Equity and dividends

As per 31 December 2021, the Group's equity amounted to NOK 245.7 million, which is equivalent to 96% of the total assets. The Board assesses the Company's capital structure on a regular basis to ensure adequate liquidity for prioritized activities and funding for the Group's planned construction projects.

Nordic Mining plans to implement a competitive dividend policy with the objective to providing its shareholders with a return on investment at minimum comparable with investments with similar risk profiles. The return should come in the form of cash dividends and/or share buyback, if applicable, and increased share value. The amount of any dividends to be distributed will depend on the Group's investment needs and general development and financing of the Company.

For information of equity issues in 2021 and to the date of this report, as well as the status of authorizations from the general meeting to the Board to increase the share capital of the Company, reference is made to the Board of Directors' Report.

The authorization to issue shares related to the Company's option program for employees and qualified resource persons was in the annual general meeting in May 2021 extended to 30 June 2022, in order to fulfil the Company's obligations under the program.

Equal treatment of shareholders and transactions with related parties

There were no significant transactions between the Company and related parties in 2021, except for ordinary commercial transactions with subsidiaries. All transactions between the Company and related parties are on arm's length basis.

Any recommendation made by the Board to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital will be justified. In the opinion of the Board, satisfactory arguments and information have been provided regarding such deviations from existing shareholders' priority rights related to equity issues by the Company.

Shares and negotiability

Nordic Mining has one class of shares, and all shares carry equal rights. The Articles of Association do not contain any provisions restricting the exercise of voting rights.

Further, the Articles of Association place no restrictions on the transferability of Nordic Mining shares, and the shares are freely negotiable.

General meetings

The shareholders exercise supreme authority in Nordic Mining through the general meeting. The Company's Articles of Association and the provisions of the Norwegian Public Limited Companies Act assign the following functions to the general meeting:

- Election of members of the Nomination Committee
- Election of members of the Board
- Election of the external auditor and approval of the auditor's remuneration
- Adoption of the annual accounts and the Board of Directors' Report
- Resolve any distribution of dividend recommended by the Board
- Consideration of any other items on the agenda in the notice of the general meeting

Nordic Mining's annual general meeting in 2021 was held on 20 May 2020. The date of the forthcoming annual general meeting is 19 May 2022.

Notices of general meetings is published as stock exchange releases and made available at the corporate website at least 21 days in advance of a general meeting. The Company's annual report is published at the corporate website at least 21 days prior to the annual general meeting. General meeting notices outlines the agenda matters and are distributed in Norwegian with an English translation to foreign shareholders.

The general meeting vote on each matter separately and all shareholders are entitled to submit items to the general meeting agenda, to meet, speak and vote, either in person or by proxy. The deadline for notifying attendance is normally five days prior to the general meeting.

The Nomination Committee's recommendation concerning the election of Directors and members of the Nomination Committee is published together with the notice of the general meeting. In line with the Corporate Governance Code's recommendation, it is the Company's policy that the general meeting vote on each candidate separately.

Nordic Mining has around 7,000 shareholders who are widely distributed geographically. The Company provides shareholders that are unable to attend in person the opportunity to vote on every item on the agenda by proxy. To ensure that general meetings are conducted professionally and impartially, the Company's share registrar, DNB Verdipapirservice, assists on practical matters in relation to the general meeting.

Representatives of the Board and Management are represented at the general meetings. Normally, the Company's auditor and legal advisor are also present. The general meeting is normally chaired by the Chair or the Deputy Chair of the Board. In the event of disagreement about specific agenda items where the Chair of the meeting either supports one of the factions or for other reasons cannot be considered impartial, Nordic Mining has procedures to ensure that the meeting is chaired impartially. In such cases, the general meeting will have an opportunity to appoint an alternative Chair of the meeting to ensure impartiality in relation to the item(s) on the agenda.

Nomination Committee

The Articles of Association stipulates that the Company shall have a Nomination Committee consisting of three members who shall be elected by the general meeting for terms of two years. As of 31 December 2021, the Nomination Committee consisted of the following members who all are independent of the Board and Management:

- **Ole G. Klevan, Chair**
  Lawyer/Partner and Head of Industry & Energy at the law firm Schjødt
- **Torger Lien, Member**
  Chair Nord Pool AS, Senior advisor Norfund
- **Brita Eilertsen, Member**
  Non-executive Director for listed and unlisted companies

The Nomination Committee's duties are to:

- Prepare recommendations to the general meeting concerning the election and remuneration of Directors
- Prepare recommendations to the general meeting regarding the election of members to the Nomination Committee

The Nomination Committee's recommendations contain separate justifications for each candidate proposed. Contact details and guidelines for the Nomination Committee are available at the corporate website.

Board of Directors; composition and independence

As of 31 December 2021, the Board of Directors consisted of five members who all are independent of the Company's major shareholders and Management. The Chair of the Board and the other Directors are elected by the general meeting for terms not exceeding two years.

Further information on each Director is available on page 24 of this annual report and at the corporate website. Information about Directors' remuneration and number of shares held in Nordic Mining is provided in Note 20 to the consolidated financial statements.

As of 31 December 2021, and at the date of this report, the Board consists of:

- **Kjell Roland, Chair**
  Participated in 12 of 12 meetings in 2021
- **Kjell Sletsjøe, Deputy Chair**
  Participated in 11 of 12 meetings in 2021
- **Eva Kaijser, Board Member**
  Participated in 12 of 12 meetings in 2021
- **Benedicte Nordang, Board Member**
  Participated in 11 of 12 meetings in 2021
- **Antony Beckmand, Board Member**
  Participated in 12 of 12 meetings in 2021

The work of the Board

The Board's work follows an annual plan which is evaluated and approved at or before the start of the calendar year. The agenda items reflect the Board's main duties for the overall governance of the Group and for the general monitoring of the Group's activities. The Board evaluates its performance and expertise at least annually and makes the evaluation available to the Nomination Committee.

The Board has established written instructions for its own work and the work of the CEO, and the CEO has established instructions for other Management. These instructions cover issues concerning the Board's duties and responsibilities, the CEO's duty to inform the Board, and procedural rules for the Board's and Management's work.

The Company's ethical guidelines include rules intended to avoid conflicts of interest and requires that any person acting on behalf of Nordic Mining act honestly and in line with principles for good business ethics. The ethical guidelines require Directors and Management to notify the Board in case they, directly or indirectly, hold a material interest in a transaction or key matter of the Company or the Group. The Board's consideration of material matters in which the Chair is personally involved, or in other way is restrained from participate in, shall be chaired by the Deputy Chair or another Director.

At present, the Company is not required to establish an Audit Committee, as governed by the Norwegian Public Limited Liability Companies Act. Considering the Company's current phase of development, it is the opinion of the Board that assessments linked to financial statements and remuneration of Management are most appropriately undertaken by the Board acting as a whole. The Board will continue to assess potential benefits of establishing Board committees (e.g., Audit Committee, Compensation Committee or other) going forward.

Risk management and internal control

The Board is responsible for ensuring that the Company has good internal control and a well-functioning system for risk management and social responsibility. The Board's annual plan includes a review of the Company's risk areas and internal control system. In the Board's opinion, the current governance systems satisfactorily address risk management and internal control.

Management is responsible for establishing and maintaining an adequate level of internal control regarding the Group's financial reporting. Internal control related to financial reporting is a process that is designed to provide reasonable certainty that financial reporting is reliable and that financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the EU. The accounting principles applied by the Group conform to the IFRS as published by the International Accounting Standards Boards ("IASB"). A summary of significant accounting principles as well as discussion of risk factors are included in Note 2 and 17, respectively, in the consolidated financial statements.

The Company has engaged Sumit Up AS as the Group's accountant and have established routines for accounting work and reporting.

Nordic Mining has established policies to insure both people and property for certain risks as well as established a liability insurance for Directors.

Nordic Mining has developed guidelines concerning corporate, social, and ethical conduct which are available at the corporate website.

Remuneration of the Board

The remuneration of the Board is proposed by the Nomination Committee and resolved by the general meeting. The remuneration of the Board is not linked to the Company's performance and Directors are not granted share options.

The remuneration of the Board reflects the Board's responsibility, expertise, time commitment and the complexity of the Company's activities. Information on the remuneration to the Board in 2021 is included in Note 20 in the consolidated financial statements.

Remuneration of Management

Pursuant to section 6-16a of the Public Limited Liability Companies Act, the Board prepares an annual statement on the setting of salaries and other remuneration for Management. The statement is presented to and considered by the general meeting. Any equity-based remuneration is resolved by the general meeting.

The key principles underlying the remuneration of Management for 2021 have been that total remuneration should reflect the responsibilities and duties undertaken by each individual in Management, as well as contribution to the long-term value creation in the Group. In the opinion of the Board, it is crucial for Nordic Mining to offer competitive salaries and conditions to attract the qualities and expertise necessary to promote the strategic development of the Group, nationally as well as internationally.

Share options have been granted to employees. The option agreements entitle the holders to purchase a specified number of shares at a fixed price (NOK 2.63 and NOK 2.62 per share for options granted in November 2018 and April 2021 respectively, which was 5% above the share price at the allocation dates) and stipulates that 1/3 of the options become exercisable (vest) each year. The options granted in 2021 vest at grant date. The option program expires in 2022.

Information regarding remuneration of Management in 2021 is presented in Note 20 in the consolidated financial statements.

Pursuant to the new requirements under section 6-16b in the Public Limited Liability Companies Act a more detailed remuneration report will be prepared for advisory vote by the 2022 annual general meeting in May 2022.

Information and communications

Nordic Mining has adopted guidelines designed to ensure that its information policy is based on the principles of openness and equal treatment of all shareholders and participants in the securities market. The objective is to maintain accounting and reporting systems in which the investors will have confidence.

Management is responsible for communication with the capital markets and for relations with current and potential new investors. Nordic Mining's financial reports provide comprehensive information about the Group's operations, including its major value drivers and risk factors.

The financial reports and other information are published electronically. All shareholders are treated equally in relation to access to financial information. Reports, stock exchange releases and other presentation material are made available at the corporate website.

Take-overs

Nordic Mining's Articles of Association do not set any measures to limit the opportunity to acquire shares in the Company. In the event of a take-over bid for Nordic Mining, the Board will handle bid in accordance with Norwegian law and the Norwegian Code of Practice for Corporate Governance and follow the overriding principle of equal treatment of all shareholders. Further, the Board will strive to ensure that the shareholders are given sufficient information and time to assess the offer as well as ensure that the Company's business activities are not unnecessarily disrupted.

The Board will not seek to prevent any take-over unless it believes that the interests of the Company and the shareholders justify such. The Board will not exercise mandates or pass any resolutions with the intention of obstructing any take-over bid unless it is approved by the general meeting following the announcement of the bid.

The Board will issue a statement in accordance with statutory requirements and the recommendations in the Corporate Governance Code, including considerations regarding a possible valuation from an independent expert.

Transactions that in effect imply a sale of Nordic Mining's entire business will be subject to approval by the general meeting.

The Company has not established other principles for potential take-over situations.

Auditor

Nordic Mining's auditor is elected by the general meeting and is independent of the Company. The general meeting also approves the auditor's remuneration.

The auditor's work is based on a plan that is presented to the Board on an annual basis. The auditor attends Board meetings that discuss and approve the Group's and Company's annual reports. At such meetings, the auditor gives a statement of any material changes to Nordic Mining's accounting principles and provides an assessment of material accounting estimates, as well as a complete account of any situation where there has been disagreement between the auditor and Management.
The auditor presents to the Board a review of the Company's control routines and potential areas of improvement in relation to accounting. When required and at least once a year, the auditor meets with the Board without Management present.

Nordic Mining places importance on independence and has clear guidelines regarding the use of other services from external auditors. All services from the external auditor, including non-audit services, are subject to pre-approval as defined by the Board of Directors in line with the Public Audit Act that entered into force on 1 January 2021.

Information of the remuneration to the auditor in 2021, including breakdown between statutory auditing and non-audit services, is presented in Note 6 to the consolidated financial statements.

The Board, from the left: Kjell Sletsjøe, Benedicte Nordang, Eva Kaijser, Kjell Roland, Antony Beckmand.

Oslo, 27 April 2022
The Board of Directors of Nordic Mining ASA

Kjell Roland	Kjell Sletsjøe	Eva Kaijser	Benedicte Nordang	Antony Beckmand	Ivar S. Fossum
Chair	*Deputy chair*	*Board member*	*Board member*	*Board member*	*CEO*

Consolidated accounts for Nordic Mining

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Amounts in NOK thousands)	Note	2021	2020
Other income		188	-
Payroll and related costs	4,20	(16 220)	(14 413)
Depreciation and amortization	11	(138)	(241)
Other operating expenses	6	(44 504)	(27 874)
Operating profit/(loss)		**(60 674)**	**(42 528)**
Fair value gains/losses on investments	12	66 374	9 336
Financial income	7	127	500
Financial costs	7	(456)	(240)
Profit/(loss) before tax		**5 371**	**(32 932)**
Income tax	8	0	0
Profit/(loss) for the period		**5 371**	**(32 932)**
(Amounts in NOK)			
EARNINGS PER SHARE			
Basic and diluted earnings per share	9	0.02	(0.17)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in NOK thousands)	Note	2021	2020
Net profit/(loss) for the period		5 371	(32 932)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Changes in pension estimates	15,21	(100)	(808)
Other comprehensive income directly against equity		**(100)**	**(808)**
Total comprehensive income/(loss) for the period		5 271	(33 740)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK thousands)	Note	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Evaluation and exploration assets	10	28 800	28 349
Property, plant and equipment	11	200	374
Right-of-use assets	11	239	377
Financial investments	12	190 519	100 114
Total non-current assets		**219 758**	**129 214**
Current assets			
Trade and other receivables	13,17	3 444	2 215
Cash and cash equivalents	14	32 086	42 223
Total current assets		**35 530**	**44 438**
Total assets		**255 288**	**173 652**

(Amounts in NOK thousands)	Note	31.12.2021	31.12.2020
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	15	137 695	118 495
Share premium	15	529 491	472 824
Other paid-in capital	5	16 038	15 804
Retained losses		(434 339)	(439 711)
Other comprehensive income	15	(3 223)	(3 124)
Total equity		**245 662**	**164 288**
Non-current liabilities			
Lease liabilities	22	113	218
Pension liabilities	21	1 062	1 368
Total non-current liabilities		**1 175**	**1 586**
Current liabilities			
Trade payables	17	3 093	1 668
Other current liabilities	16,17	5 358	6 110
Total current liabilities		**8 451**	**7 778**
Total liabilities		**9 626**	**9 364**
Total shareholders' equity and liabilities		**255 288**	**173 652**

Oslo, 27 April 2022
The Board of Directors of Nordic Mining ASA

Kjell Roland	Kjell Sletsjøe	Eva Kaijser	Benedicte Nordang	Antony Beckmand	Ivar S. Fossum
Chair	*Deputy chair*	*Board member*	*Board member*	*Board member*	*CEO*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributed to equity holders of the parent					
(Amounts in NOK thousands)	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/(loss) for the period	-	-	-	-	(32 932)	(32 932)
Other comprehensive income	-	-	-	(808)	-	(808)
Total comprehensive income	**-**	**-**	**-**	**(808)**	**(32 932)**	**(33 740)**
Share issue	17 220	40 180	-	-	-	57 400
Transaction costs	-	(3 430)	-	-	-	(3 430)
Share-based compensation	-	-	226	-	-	226
Equity 31 December 2020	**118 495**	**472 824**	**15 804**	**(3 124)**	**(439 711)**	**164 288**
Equity 1 January 2021	**118 495**	**472 824**	**15 804**	**(3 124)**	**(439 711)**	**164 288**
Profit/(loss) for the period	-	-	-	-	5 371	5 371
Other comprehensive income	-	-	-	(100)	-	(100)
Total comprehensive income		**-**	**-**	**(100)**	**5 371**	**5 271**
Share issue	19 200	60 800	-	-	-	80 000
Transaction costs	-	(4 133)	-	-	-	(4 133)
Reduction of share premium to cover loss	-	(215 792)	-	-	215 792	-
Share-based compensation	-	-	234	-	-	234
Equity 31 December 2021	**137 695**	**313 699**	**16 038**	**(3 223)**	**(218 547)**	**245 662**

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in NOK thousands)	Note	2021	2020
Operating activities			
Income/loss (-) before income tax		5 371	(32 932)
Depreciation	11	138	241
Gain on sale of fixed assets		(188)	-
Gains/losses on investments	12	(66 374)	(9 336)
Share-based expenses		234	226
Changes in assets and liabilities			
Other receivables and prepayments		(1 229)	2 071
Trade payables		1 453	(1 463)
Other current liabilities		1 031	(545)
Difference between pension expense and payment		(406)	(26)
Net cash used in operating activites		**(59 970)**	**(41 764)**
Investing activities			
Acquisition of licenses and properties	10	(2 211)	(449)
Financial investments	12	(24 030)	-
Sale of property, plant and equipment		363	-
Net cash used in investing activities		**(25 879)**	**(449)**
Financing activities			
Share issuance	15	80 000	57 400
Transaction costs, share issue	15	(4 133)	(3 430)
Payment of lease liabilities	22	(156)	(153)
Net cash from financing activities		**75 711**	**53 817**
Net change in cash and cash equivalents		(10 137)	11 604
Cash and cash equivalents at beginning of period		42 223	30 619
Cash and cash equivalents at end of period		**32 086**	**42 223**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL INFORMATION

Nordic Mining ASA ("the Company") and its subsidiaries (together "the Group") is engaged in the exploration for and development of projects for high-end industrial minerals and metals. The address to Nordic Mining's office is Munkedamsveien 45, N-0250 Oslo, Norway. These financial statements were approved for issue by the Board of Directors on 27 April 2022.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of preparation

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied unless otherwise stated. The consolidated financial statements of Nordic Mining ASA have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The consolidated financial statements have been prepared under the historical cost convention with some exceptions outlined below; the main exception being Financial investments at fair value through profit or loss. The annual accounts are based on the going concern assumption.

Going concern assumption

The Group's has working capital to fund running operations and payment of financial obligations in 2022 and into 2023 based on current plans. In order to realize the Engebø Rutile and Garnet Project the Group will need to secure in the range of USD 250 million in project financing expected to comprise of equity, debt and potential hybrid capital or royalty financing. For more information on liquidity risk see Board of Directors' report and Note 17.

Significant accounting judgments, estimates and assumptions

The preparation of the Group's financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability.

Key areas of judgement and estimation uncertainty:

- *Capitalization of exploration and evaluation assets (Note 10):*
  Cost directly related to exploratory drilling is temporary capitalized as exploration and evaluation assets until the drilling is complete and the results have been evaluated in accordance with the successful efforts method. The cost includes rig cost, contractors, materials used, and salaries of employees directly attributable to the exploratory drilling. Management uses judgement to determine whether or not temporary capitalized exploration and evaluation cost shall remain in the balance sheet or be expensed based on the impairment evaluation described below. This assessment will have material impact on the financial statement.

  Total capitalized drilling cost was NOK 14.9 million at 31 December 2021.

- *Impairment evaluation of exploration and evaluation assets (Note 10):*
  Exploration and evaluation assets are evaluated for impairment under the indicators of IFRS 6 "Exploration for and evaluation of mineral resources." Management must determine whether there are circumstances indicating possible impairment of exploration and evaluation assets. This includes individual assessment of each license related to planned and budgeted activity, magnitude of future exploration and evaluation activity to assess whether there are sufficient commerciality quantities of mineral resources over the remaining license period. Management also considers expected demand and prices for the minerals.

- *Classification and valuation of financial investments (Note 12):*
  The Group's investment in Keliber Oy was in 2019 reclassified from an Associate to a Financial Investment Measured at Fair Value Through Profit and Loss under IFRS 9 ("FVPL Method"). The reclassification was based on reduced ownership combined with a change in Board composition, resulting in less influence for the Group.

  On reclassification the valuation of the investment was based on the pricing of a share issue at that time. To the extent that there are recent observable prices based on Keliber Oy equity transactions available, the Group is using these for assessing the fair value of the investment on the balance sheet day. When there is no observable market price, the Group is assessing the fair value of the investment using industry practice valuation techniques. Fair value is the price that would be received to sell the investment in an orderly transaction between market participants at the measurement date. The fair value of the investment is measured using the assumptions that market participants would use when pricing the investment. The Group uses industry practice valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The determination of the fair value of the investment still requires significant judgment from management. The valuation of the investment in Keliber Oy has been based on level 3 inputs in the fair value hierarchy.

As there were no observable market price for Keliber Oy at year end 2021, the fair value of the investment is based on Management's internal assessment of the market value at year end, see note 12 for further information.

Basis for consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The subsidiaries include Nordic Rutile AS, Nordic Ocean Resources AS, and Nordic Quartz AS, all 100% owned and located in Oslo. The accounting principles of the subsidiaries have been changed when necessary to ensure consistency with the policies adopted by the Group. All intra-group transactions, balances, income and expenses are eliminated.

Business combinations

The acquisition method of accounting is used to account for the acquisition of businesses and subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Directly attributable transaction cost related to the business combination is expensed as incurred.

Financial assets

Initial recognition and measurement:

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss.

Foreign currency translation

Functional and presentation currency

NOK is the functional currency of the parent and the presentation currency of the Group. Assets and liabilities in foreign entities, including goodwill and fair value adjustments related to business combinations are translated to NOK at the exchange rate at the balance sheet date. Revenues, expenses, gains and losses are translated using the average exchange rate during each quarterly period. Translation adjustments are recognized directly to Other Comprehensive Income.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized as finance income or finance expense in the income statement.

Acquisition of mining and mineral properties and exploration and development of such properties

IFRS 6 "Exploration for and evaluation of mineral resources" requires that exploration and evaluation assets are classified as tangible or intangible according to the nature of the assets acquired.

Some exploration and evaluation assets should be classified as intangibles, such as drilling rights and capitalized exploration cost. When technical feasibility and commercial viability of extracting a mineral resource is demonstrable, the assets should be reclassified as tangible assets. Evaluation and exploration assets that are classified as intangible assets are tested for impairment prior to reclassification.

Exploration and development for mineral properties

The Group employs the successful efforts method to account for exploration and development cost. All exploration cost, with the exception of acquisition cost of licenses and direct drilling cost of exploration wells is expensed as incurred. Drilling cost of exploration wells is temporarily capitalized pending the evaluation of the potential existence of mineral reserves. If reserves are not found, or if discoveries are assessed not to be technically and commercially recoverable, the drilling cost of exploration holes is expensed. Cost of acquiring licenses is capitalized and assessed for impairment at each reporting date.

Property, plant and equipment
The Group's property, plant and equipment, consisting of machinery and equipment, are recorded at cost less accumulated depreciation. Acquisition cost include cost directly attributable to the acquisition of the asset.

Subsequent cost is included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are expensed as incurred.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is presented as a net gain or net loss in the income statement.

Depreciation is calculated on a straight-line basis over the useful life of the asset (land is not depreciated):

- Machinery and equipment: 4-10 years

The asset's useful life and residual amount are reviewed on an annual basis and revised if necessary. The carrying amount of the asset is written down to recoverable amount when the carrying amount is higher that the estimated recoverable amount (further details are provided under "Impairment of non-financial assets" below).

Impairment of non-financial assets
Intangible assets that have an indefinite useful life or intangible assets not yet available for use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Government grants
Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

Leases (as lessee)
The Company adopted IFRS 16 – Leases from 1 January 2019. IFRS 16 sets out the principles for recognition, measurement, presentation and disclosures of leases. IFRS 16 defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For each contract that meets this definition, IFRS 16 requires lessees to recognize a right-of-use asset and a lease liability in the balance sheet with certain exemptions for short term and low value leases. Lease payments are to be reflected as interest expense and a reduction of lease liabilities, while the right-of-use assets are to be depreciated over the shorter of the lease term and the assets' useful life. Lease liabilities are measured at the present value of remaining lease payments, discounted using the Company's calculated borrowing rate. Right-of-use assets are measured at an amount equal to the lease liability.

Receivables
Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at banks and other short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in fair value and with original maturities of three months or less.

Share capital
Ordinary shares are classified as equity. Share issuance cost that is incremental and directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. If deferred tax assets are not recognized, items recorded directly to equity are accounted for gross, without any deduction of deferred taxes.

Interest-bearing liabilities
All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue cost associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method; any difference between proceeds (net of transaction cost) and the redemption value is recognized on the income statement over the period of the interest-bearing liabilities.

De-recognition of financial liabilities
The Group de-recognizes a financial liability (or a part of a financial liability) from its balance sheet when, and only when, it is extinguished. A financial liability is extinguished when the obligation specified in the contract is discharged or cancelled, or when it expires.

Trade payables
Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Share-based compensation
The Group uses equity settled options to incentivize employees and qualified resource persons. The fair value of the options is recognized as a payroll expense in the statement of profit or loss over the vesting

period and as other paid in equity in the balance sheet. Fair value of options is estimated by use of the Black Scholes option model and is charged to the statement of profit or loss over the vesting period without revaluation of the value of the options.

Income taxes
Income tax expense represents the sum of the taxes currently payable and deferred tax. Taxes payable are provided based on taxable profits at the current tax rate. Deferred taxes are recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all temporary differences, and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred income tax is not recognized on temporary differences arising from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

If deferred tax assets are not recognized, items recorded directly to equity, or in other comprehensive income (OCI), are accounted for gross, without any deduction of deferred taxes.

Pensions
Defined benefit plan:
The Group has a defined benefit pension plan for its employees that meet the Norwegian statutory requirement. For the defined benefit plan, the cost of providing the benefits is determined using the unit credit method, with actual valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined contribution plan:
In the defined contribution pension plan, the Group is responsible for making an agreed contribution to the employee's pension assets. The future pension will be determined by the amount of the contributions and the return on the pension savings. Once the contributions have been paid, there are no further payment obligations attached to the defined contribution pension.

Contingent liabilities
Contingent liabilities are defined as:

- possible obligations resulting from past events whose existence depends on future events
- obligations that are not recognized because it is not probable that they will lead to an outflow of resources
- obligations that cannot be measured with sufficient reliability

Contingent liabilities are not recognized on the balance sheet unless arising from assuming assets and liabilities in a business combination. Significant contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Reference is made to Note 10 in the consolidated financial statements regarding contingent liabilities related to the Engebø rutile deposit.

Cash flow statement
The Group reports the cash flow statement using the indirect method. The method involves adjusting the result for the period for the effects of transactions without effect on cash and changes in assets and liabilities to show net cash flow from operations. Cash flow relating to investment activities and financing activities are shown separately.

Related party transactions
All transactions, agreements and business activities with related parties are conducted according to ordinary business terms and conditions. Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence. The Group provides note disclosure for related party transactions and balances in Note 20 in the consolidated financial statements.

Earnings per share
The calculation of basic earnings per share is based on the profit/loss attributable to ordinary shareholders using the weighted average number of shares outstanding during the year after deduction of the average number of treasury shares held over the period. The calculation of diluted earnings per share is consistent with the calculation of basic earnings per share while giving effect to all dilutive potential ordinary shares that were outstanding during the period, that is:

- The net profit for the period attributable to ordinary shares is increased by the after-tax amount of dividends and interest recognized in the period in respect of the dilutive potential ordinary shares and adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares.
- Weighted average number of shares which includes the effect of all potential dilutive shares as if converted at the beginning of the period, or from the issue date if later.

New accounting standards
New standards and amendments to standards and interpretations effective from 1 January 2021 did not have any significant impact on the financial statements.

New standards, amendments and interpretations issued but not adopted by the Group
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2022 and have not been applied in preparing these financial statements. None of these new standards and amendments to standards and interpretations are expected to have any significant impact on the Group's financial statements.

NOTE 3 - SEGMENTS

The Group presents segments based on 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 was presented in May 2021.

NOTE 4 - SALARIES

(Amounts in NOK thousands)	2021	2020
Wages and salaries	10 982	9 822
Social security costs	2 266	1 651
Pension costs defined benefit plan	862	931
Pension costs defined contribution plan	272	211
Board members, etc	1 300	1 300
Share-based compensation	234	226
Other personnel costs	304	272
Total	16 220	14 413
Average number of full time employees	8	7

Reference is made to Note 20 for further information about remuneration of Senior Management and guidelines for remuneration.

NOTE 5 - SHARE-BASED COMPENSATION

On 1 November 2018, the General Meeting of Nordic Mining approved an equity settled share-based compensation program of up to 4.5 million options for employees and qualified resource persons. On 26 November 2018, the Board of Directors granted 3 million options at a strike price of NOK 2.63 per share to employees in the Group. The options vest by 1/3 each year, first time on 30 June 2019. The option agreements expire on 30 June 2022 and are conditional on the employee remaining in the Group's employment for the duration of the vesting period.

In April 2021 additional 0.4 million options were granted at a strike price of NOK 2.62 per share. These options vest at grant date and expire on 30 June 2022.

	2021		2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding 1 January	2 425 000	2.63	2 425 000	2.63
Granted during the year	400 000	2.62	-	-
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding 31 December	**2 825 000**	**2.63**	**2 425 000**	**2.63**
Exercisable 31 December	**2 825 000**	**2.63**	**1 616 666**	**2.63**

The average fair value of options granted in 2018 was NOK 0.59 at the time of grant, and the average fair value of options granted in 2021 was NOK 0.33 at the time of grant. The average remaining contractual life for options outstanding as per 31 December 2021 was 0.5 years.

The Group has expensed share based payment of NOK 234 thousand in 2021 (2020: NOK 226 thousand).

The Group used the Black Scholes model to estimate fair value of the options granted at the time of grant. The following table show the weighted-average assumptions used in the model:

Weighted-average assumptions	2021	2020
Volatility *	41 %	40 %
Expected life	2.35	2.58
Risk free interest	1.05 %	1.16 %
Share price	2.47	2.47
Exercise price	2.63	2.63

* The expected volatility has been estimated based on historical volatility of the share price of the Company.

NOTE 6 – OTHER OPERATING COSTS

(Amounts in NOK thousands)	2021	2020
Lease expenses	2 329	2 213
Project costs – Engebø rutile and garnet	31 999	18 208
Consulting and legal fees	7 181	4 203
Other costs	3 342	3 250
Research tax credit	(347)	-
Total	**44 504**	**27 874**

Auditor fees:

(Amounts in NOK thousands)	2021	2020
Statutory audit	704	577
Other attestation services	62	63
Tax services	-	-
Other services	-	-
Total	**766**	**640**

The amounts exclude VAT.

NOTE 7 – FINANCE INCOME AND FINANCE COSTS

The following table shows the components of financial income and financial expense:

(Amounts in NOK thousands)	2021	2020
Interest income on bank deposits	40	173
Foreign exchange gains	87	313
Other interest income	-	14
Finance income	**127**	**500**
Interest cost	(28)	(12)
Other finance costs	(184)	(70)
Foreign exchange losses	(244)	(158)
Finance costs	**(456)**	**(240)**

NOTE 8 - INCOME TAXES

The Group has incurred substantial tax losses carried forward and the related tax asset is shown in the table below. At this stage, the Group cannot substantiate that there will be sufficient future taxable income to be able to realize the Group's unused tax losses, and therefore the Group has not recognized deferred tax assets at 31 December 2021. Tax losses can be carried forward indefinitely in Norway.

(Amounts in NOK thousands)	2021	2020
Taxes payable	-	-
Deferred tax	-	-
Income tax expense/(income)	**-**	**-**

Tax effects of temporary differences and tax loss carryforwards at 31 December:

(Amounts in thousands)	2021	2020
Mineral properties/PP&E	9 591	9 627
Pensions	234	301
Tax loss carryforwards	128 922	114 252
Total net deferred tax assets	**138 747**	**124 180**
Nominal tax rate (used for measurement)	22 %	22 %
Recognized in the statement of financial position:		
Deferred tax asset	-	-
Deferred tax liability	-	-

The Group recognized NOK 4.1 million in gross transaction cost of the 2021 share issues directly in equity (in 2020: NOK 3.4 million) which is included in tax loss carry forwards.

The following table shows the reconciliation of expected tax using the nominal tax rate to the actual tax expense/(income):

(Amounts in thousands)	2021	2020
Income/loss (-) before tax	5 371	(32 932)
Nominal tax rate	22 %	22 %
Expected income tax	**1 182**	**(7 245)**
Non-deductible costs	119	52
Non-taxable income	(332)	-
Effect of non taxable gains/losses on investments	(14 602)	(2 054)
Non-recognized tax assets on current year result	13 633	9 247
Tax expense/(income)	**-**	**-**

NOTE 9 - EARNINGS PER SHARE

(Amounts in NOK thousands and number of shares in thousands)	2021	2020
Earnings		
Attributable to ordinary shareholders	5 371	(32 932)
Number of shares		
Weighted average number of ordinary shares outstanding - basic	224 569	195 211
Weighted average number of ordinary shares outstanding - diluted	227 272	195 211
(Amounts in NOK)		
Earnings per share attributable to ordinary shareholders		
Basic earnings per share	0.02	(0.17)
Diluted earnings per share	0.02	(0.17)

The effect of potentially dilutive shares arising from options (ref. Note 5) is included in the calculation of diluted earnings per share for 2021 since the options were in-the-money in 2021. The effect of potentially dilutive shares arising from options is not included in the calculation of diluted earnings per share for 2020 since the options were and anti-dilutive in 2020.

NOTE 10 - EXPLORATION AND EVALUATION ASSETS

(Amounts in NOK thousands)	License cost	Capitalized exploration	Total
Cost at 1 January 2020	11 238	18 621	29 859
Additions	2 209	-	2 209
Cost at 31 December 2020	**13 447**	**18 621**	**32 068**
Additions	451	-	451
Cost at 31 December 2021	**13 898**	**18 621**	**32 519**
Provision for impairment at 1 January 2020	-	(3 719)	(3 719)
Impairments	-	-	-
Provision for impairment at 31 December 2020	**-**	**(3 719)**	**(3 719)**
Impairments	-	-	-
Provision for impairment at 31 December 2021	**-**	**(3 719)**	**(3 719)**
Net book value 31 December 2021	**13 898**	**14 902**	**28 800**
Net book value 31 December 2020	13 447	14 902	28 349
Net book value 1 January 2020	11 238	14 902	26 140

Mining concessions

The carrying amount for licenses relates to the Engebø area. Additionally, the Group has a conditional liability to the seller of NOK 40 million that will be paid if and when commercial operation commences at Engebø. No liability has been recognized as per 31 December 2021.

In October 2021 the Oslo District Court has ruled in favour of the subsidiary Nordic Rutile in the court case against Artic Mineral Resources (AMR). The ruling confirms that Nordic Rutile's extraction rights are valid and that the company has the right to extract and - within the limits of the Norwegian Mining's Act - utilize garnet and all other minerals on the Vevring side of the Engebø deposit. AMR has appealed the ruling.

The exploration and extraction licenses are subject to annual renewals at the option of the Group. An annual fee is paid when the license period is extended.

NOTE 11 - PROPERTY, PLANT, EQUIPMENT AND RIGHT-OF-USE ASSETS

(Amounts in NOK thousands)	Machinery & equipment	Right-of-use assets	Total
Cost			
1 January 2020	941	264	1 205
Additions	-	400	400
31 December 2020	**941**	**664**	**1 605**
Additions	-	-	-
Disposals	(285)	-	(285)
31 December 2021	**656**	**664**	**1 320**
Depreciation			
1 January 2020	(472)	(141)	(613)
Depreciation expense	(95)	(146)	(241)
31 December 2020	**(567)**	**(287)**	**(854)**
Depreciation expense	-	(138)	(138)
Disposals	111	-	111
31 December 2021	**(456)**	**(425)**	**(881)**
Net book value			
31 December 2021	**200**	**239**	**439**
31 December 2020	374	377	751
1 January 2020	469	123	592

Machinery and equipment are depreciated over a period of 4-10 years.

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

NOTE 12 - FINANCIAL INVESTMENTS

The Group's only financial investment in 2021 and 2020 is the holding of shares in the Finnish mining company Keliber Oy. At year end 2021 the Group had a 12.7% interest in Keliber.

2021
In February 2021 Keliber Oy and leading international mining company Sibanye-Stillwater Limited announced that they had entered into an investment agreement for an initial phased equity investment of EUR 30 million for approximately 30% shareholding in Keliber.

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 the share issue, which was closed March/April 2021, Nordic Mining was allocated in total 58,975 shares at an issue price of EUR 40 per share, to retain an ownership of 14.3% of the shares in Keliber. In line with the agreement the second tranche of SSWs initial investment of EUR 10 million was closed in September 2021, making SSW the largest shareholder in Keliber with a shareholding of 26.7%. Following the share issue, Nordic Mining was diluted from 14.3% to 12.7% ownership in Keliber."

At year end 2021 the Group has assessed the fair value of Keliber to EUR 64 per share, corresponding to NOK 190.5 million. This results in a gain on the investment of NOK 66.3 million for the year. The valuation as per 31 December 2021 has been based on level 3 inputs in the fair value hierarchy.

The fair value assessment is based on comparable valuation analysis using industry practice P/NAV and EV/Resource multiples from a peer-group of lithium developers at PFS/DFS levels at similar levels of commercial development and risk profiles as Keliber's lithium project. The multiples are modified to account for lack of marketability of shares in Keliber. Net Asset Value ("NAV"), which is the post-tax NPV of expected future cash flows from Keliber's lithium project, is derived from the investor material provided by Keliber in relation the investment by SSW in Q2 2021. The fair value indications from the P/NAV and EV/Resource multiples are averaged to give the final fair value measurement. The assessment considers available information related to the developments in Keliber, the lithium project, and in particular the development of lithium prices and lithium development equities as described above.

Significant unobservable input	Estimate of the input	Sensitivity of the fair value measurement to input
P/NAV multiple, Peers	0.5x	Increase (or decrease) of P/NAV multiple by 10 percentage point would change the fair value by NOK 20 million. Increase in EV/Resouce multible by 10 percentage point would change the fair value by NOK 19 million.
EV/Resources multiple, Peers (US$m/Kilotonne Resource LCE)	0.3x	

The assessment is made from the perspective of a hypothetical informed market participant, as required by IFRS 13, Fair Value Measurement, and may differ from the Group's own internal assessment. Expected future cash flows used in discounted cash flow models are inherently uncertain and could materially change over time, i.e., from changes in projected capital expenditure, commodity prices, operating costs, exchange rates and discount rates. Keliber is expected to complete an update of the DFS early in 2022.

2020

As per 31 December 2020, the Group has revised the mark-to-market valuation of the investment in Keliber on 100% basis at around EUR 59 million, or EUR 40 per share. This results in a gain on the investment of NOK 9.3 million for the year. The valuation of the investment in Keliber Oy has been based on level 3 inputs in the fair value hierarchy. The assessment takes 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 EUR 30 million financing.

Summary of effects from Keliber investment in 2021 and 2020

(Amounts in NOK thousands)	Balance sheet	Statement of profit or loss
Fair value 1 January 2021	100 114	
Addition in 2021	24 030	
Gain on investment 2021	66 374	66 374
Fair value 31 December 2021/ Total effects on statement of profit or loss	**190 519**	**66 374**
Fair value 1 January 2020	90 778	
Gain on investment 2020	9 336	9 336
Fair value 31 December 2020/ Total effects on statement of profit or loss	**100 114**	**9 336**

NOTE 13 - TRADE AND OTHER RECEIVABLES

(Amounts in NOK thousands)	2021	2020
Other financial receivables	802	957
Prepayments	821	610
Skattefunn (receivable tax credit)	347	-
VAT receivable	1 474	648
Totalt	**3 444**	**2 215**

NOTE 14 - CASH AND CASH EQUIVALENTS

(Amounts in NOK thousands)	2021	2020
Bank deposits	32 086	42 223
Total cash and cash equivalents	**32 086**	**42 223**
Restriced cash in tax withholding account	478	594

NOTE 15 - SHARE CAPITAL

Number of shares outstanding	Ordinary Shares
2020:	
Opening balance	168 791 772
Share issuance	28 700 000
31 December 2020	**197 491 772**
2021:	
Opening balance	197 491 772
Share issuance	32 000 000
31 December 2021	**229 491 772**

All shares carry equal rights and has a par value of 0.60 per share.

Share issues in 2021

In February 2021, Nordic Mining completed a private placement of 32,000,000 shares with gross proceeds of NOK 80 million. Following registration of the new share capital the Company'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.

Share issues in 2020

In January 2020, Nordic Mining completed a private placement of 28,700,000 shares 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.

Components of other comprehensive income

The following table shows a reconciliation of the components of other comprehensive income ("OCI"):

Amounts in NOK thousands	Actuarial gain/ loss	Total OCI
Balance on 1 January 2020	**(2 316)**	**(2 316)**
Actuarial gain/(loss)	(808)	(808)
Balance on 31 December 2020	**(3 124)**	**(3 124)**
Actuarial gain/(loss)	(100)	(100)
Balance on 31 December 2021	**(3 223)**	**(3 223)**

NOTE 16 - OTHER CURRENT LIABILITIES

(Amounts in NOK thousands)	2021	2020
Tax withholding and social security accrual	1 131	1 009
Employee salary and holiday pay accrual	1 120	1 066
VAT payable	193	325
Lease liability	132	155
Accrued expenses	2 781	3 555
Total	**5 358**	**6 110**

NOTE 17 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Management of financial risk
Nordic Mining is exposed to certain types of financial risk related to the Group's financial instruments, primarily market risk related to floating interest rate risk on cash and cash equivalents, liquidity risk and currency risk.

Management of Nordic Mining manages the Group's financial risk primarily by identifying and evaluating potential risk areas. Management's focus is primarily on managing liquidity risk to secure continuing operations and financing of the Group's capital-intensive projects. Nordic Mining's cash holdings are placed in bank accounts in Norwegian Kroner (NOK). Throughout 2021 and as per the date of this report, the Group's only currency exposure of significance relates to the investment in Keliber Oy (EUR).

The Group has no interest-bearing debt and does not have recurring revenues since the Group's projects are still in the development phase. The Group's financial instruments mainly consist of the investment in Keliber Oy, bank deposits, customary short-term receivables, trade and other payables.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to settle its financial obligations as they fall due. The Group has to a large extent used equity financing in order to meet liquidity requirements related to financial obligations, covering operational losses, exploration activities and investments.

All the Group's financial liabilities as at 31 December 2021 of NOK 7.0 million mature within 6 months from balance sheet date (31 December 2020: all financial liabilities of NOK 6.3 million mature within 6 months).

The Group's has working capital to fund running operations and payment of financial obligations in 2022 and into 2023 based on current plans. In order to realize the Engebø Rutile and Garnet Project the Group will need to secure in the range of USD 250 million in project financing expected to comprise of equity, debt and potential hybrid capital or royalty financing. For more information on liquidity risk see Board of Directors' report.

Market risk
Market risk consists of the risk that real value or future cash flow related to financial instruments will vary as a consequence of fluctuation in market prices. Market risk includes, but is not limited to, currency risk, interest rate risk and price risk from sales. Currently, the Group has no exposure to price risk from sale of goods, and no financial instruments have been entered into related to future expected exposures. The main market risk is related to the investment in Keliber Oy. See note 12.

(i) Variable interest rate risk
The Group's cash and cash equivalents are exposed to changes in the market interest rate on bank deposits. The Group's exposure on the result at year end 2021 is approximately +/-NOK 321 thousand per percentage-point change in the variable market interest rate (2020: NOK 422 thousand).

(ii) Currency exchange risk
Throughout 2021 and as per the date of this report, the Group's only currency exposure of significance relates to the investment in Keliber Oy (EUR). A 10% increase or decrease in the EUR currency rates would increase/decrease the net income by approximately NOK 19.1 million at year end 2021 (2020: NOK 10.0 million).

Credit risk
Credit risk is the risk of financial losses if a customer or counterpart of a financial instrument is unable to meet contractual obligations.

The Group's current business has only limited credit risk. Cash and cash equivalents and security deposits in banks represent a large portion of the Group's financial assets at 31 December 2021. There has been no recognized loss on trade receivables in 2021 or 2020.

Procedures for evaluation of credit risk has only to a limited degree been introduced. However, discretionary evaluations are done on a case-by-case basis. Management will evaluate the necessity of implementing stricter credit evaluations on an on-going basis.

Climate-related risks
Sustainability is integrated and embedded into Nordic Mining's strategy and decision-making processes. The Group's Sustainability Policy states that the aim is to reach an A-level performance standard for all our operations according to the Towards Sustainable Mining ("TSM") Standard. Climate-related financial risks can be described as physical risks, including extreme weather events and natural disasters, as well as transition risks, including emerging policy and legislation, technological innovation and market and reputation risk. Overall, the climate-related financial risk for Nordic Mining is considered to be low and there is minimal risk for stranded assets. Nordic Mining will implement the Task Force on Climate-related Financial Disclosures ("TCFD") framework to ensure a transparent and effectively disclose climate-related financial risks and opportunities.

Political risk

In addition to financial risk, the Group is exposed to political risk related to its mining projects. The political risk includes the risk of not obtaining or extending the relevant governmental permits necessary to extract and produce minerals from these mining projects.

Categories and fair value of financial instruments

The carrying amounts on the balance sheet of cash and cash equivalents, receivables, payables to suppliers, and other short-term financial items are close to fair value due to the short time period till maturity. The carrying amount of Financial investments comprise of the investment in Keliber Oy and the carrying amount equals fair value. See note 12.

Year ended 31 December 2021

(Amounts in NOK thousands)	Amortized cost	Fair value through profit or loss	Carrying amount
Financial assets by category			
Financial investments		190 519	190 519
Trade and financial receivables	802		802
Cash and cash equivalents	32 086		32 086
Total financial assets	32 888	190 519	223 407
Financial liabilities by category			
Accounts payable	3 093		3 093
Other current financial liabilities	3 901		3 901
Total financial liabilities	**6 994**	**-**	**6 994**

Year ended 31 December 2020

(Amounts in NOK thousands)	Amortized cost	Fair value through profit or loss	Carrying amount
Financial assets by category			
Financial investments		100 114	100 114
Trade and financial receivables	957		957
Cash and cash equivalents	42 223		42 223
Total financial assets	**43 180**	**100 114**	**143 294**
Financial liabilities by category			
Accounts payable	1 668		1 668
Other current financial liabilities	4 621		4 621
Total financial liabilities	**6 289**	**-**	**6 289**

Capital management

The Group has to a large degree used equity financing to finance research, operations, purchase of licenses and other investments. The Group's capital management target is to secure liquidity for operations and for development of the Group's projects. The Group has no interest-bearing debt, and a cash balance well in excess of its existing liabilities. Thus, the net gearing ratio is negative. The ratio of net debt (debt less cash) divided by total capital (net debt and equity) as of 31 December 2021 is -9% (as of 31 December 2020 -19%).

NOTE 18 - INVESTMENTS IN SUBSIDIARIES

The table below provides an overview of Nordic Mining ASA's subsidiaries as at 31 December 2021:

(Amounts in NOK thousands)	Location	Year incorp.	Ownership
Nordic Rutile AS	Oslo, Norge	2006	100 %
Nordic Ocean Resources AS	Oslo, Norge	2011	100 %
Nordic Quartz AS	Oslo, Norge	2011	100 %

NOTE 19 - SHAREHOLDERS

The table below shows the Company's 20 largest shareholders as at 31 December 2021:

Shareholder	Number of shares	% ownership
Nordnet Bank AB	21 354 076	9.30 %
Verdipapirfondet Nordea Avkastning	13 414 908	5.85 %
Clearstream Banking S.A.	6 528 927	2.84 %
Nordea Bank Abp	5 103 507	2.22 %
Knut Fosse AS	4 336 874	1.89 %
Nordnet Livsforsikring AS	4 144 589	1.81 %
Danske Bank A/S	3 860 580	1.68 %
Adurna AS	3 250 000	1.42 %
Citibank, N.A.	2 783 319	1.21 %
Joma Invest AS	2 500 000	1.09 %
Naturlig Valg AS	2 258 500	0.98 %
Stavanger Forvaltning AS	2 200 000	0.96 %
Infoinvest AS	2 015 000	0.88 %
Kime Holding AS	1 850 000	0.81 %
Dybvad Consulting AS	1 745 000	0.76 %
Magil AS	1 725 000	0.75 %
Snati AS	1 700 000	0.74 %
Huldrastølen AS	1 468 781	0.64 %
Espmart Invest AS	1 400 000	0.61 %
Nordenfjeldske Management AS	1 375 000	0.60 %
Total 20 largest shareholders	**85 014 061**	**37.04 %**
Other shareholders	144 477 711	62.96 %
Total	**229 491 772**	**100.00 %**

NOTE 20 - RELATED PARTIES AND COMPENSATION OF MANAGEMENT

Compensation to Board members and Senior Management in 2021

(Amounts in NOK thousands)	Salary	Board member fees	Other compensation	Pension costs	Share based compensation	Total
Ivar S. Fossum, CEO	2 427	-	225	414	45	3 110
Christian Gjerde, CFO	1 822		28	94	131	2 075
Lars K. Grøndahl, Senior Advisor[1]	1 301	-	126	222	17	1 665
Kenneth N. Angedal, Operations Director	1 635	-	7	81	17	1 740
Mona Schanche, VP Resource and Sustainability	1 572	-	28	268	17	1 886
Ole Klevan, Nomination Committee (Chair)	-	50	-	-	-	50
Brita Eilersen, Nomination committee	-	30	-	-	-	30
Torger Lien, Nomination committee	-	30	-	-	-	30
Kjell Roland, Chair of the Board	-	350	-	-	-	350
Kjell Sletsjøe, Deputy Chair of the Board	-	210	-	-	-	210
Eva Kaijser, Board member	-	210	-	-	-	210
Benedicte Nordang, Board member	-	210	-	-	-	210
Antony Beckmand, Board member	-	210	-	-	-	210
Total	8 757	1 300	414	1 079	227	11 777

1. Lars K. Grøndal left the Company on 30 June 2021.

Compensation to Board members and Senior Management in 2020

(Amounts in NOK thousands)	Salary	Board member fees	Other compensation	Pension costs	Share based compensation	Total
Ivar S. Fossum, CEO	2 220	-	186	354	154	2 914
Christian Gjerde, CFO[1]	667		14	38	-	718
Birte Norheim, CFO[2]	587	-	5	15	-	607
Lars K. Grøndahl, Senior Advisor	1 672	-	146	266	59	2 144
Kenneth N. Angedal, Operations Director	1 482	-	11	80	59	1 632
Mona Schanche, VP Resource and Sustainability	1 344	-	116	214	59	1 732
Ole Klevan, Nomination Committee (Chair)	-	50	-	-	-	50
Brita Eilersen, Nomination committee	-	30	-	-	-	30
Torger Lien, Nomination committee	-	18	-	-	-	18
Hans Olav Kvalvaag, former Nomination Committee	-	12	-	-	-	12
Kjell Roland, Chair of the Board	-	296	-	-	-	296
Kjell Sletsjøe, Deputy Chair of the Board	-	210	-	-	-	210
Eva Kaijser, Board member	-	210	-	-	-	210
Benedicte Nordang, Board member	-	129	-	-	-	129
Antony Beckmand, Board member	-	129	-	-	-	129
Tarmo Tuominen, former Chair of the Board	-	135	-	-	-	135
Mari Thjømøe, former Board member	-	81	-	-	-	81
Total	**7 972**	**1 300**	**479**	**966**	**331**	**11 048**

1. Christian Gjerde started as CFO on 1 August 2020
2. Birte Norheim left the Company on 11 February 2020

Senior Management is subject to termination periods of 3-6 months.

Guidelines for management remuneration
The main components of the guidelines for Senior Management salaries are as follows:

- The compensation package should reflect the responsibility and the tasks that the individual persons in Senior Management, and that the employee contributes towards the long-term creation of value in Nordic Mining.
- The Company will offer competitive conditions to attract relevant expertise for the development of the Company.
- The compensation package consists of fixed salary plus participation in an option program that has been approved by the annual meeting.
- Senior Management participates in pension and insurance plans.

These guidelines have been used to recruit Senior Management in Nordic Mining ASA and to establish salary levels.

Other transactions with related parties

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

Shares owned/controlled by members of the Board and senior management and those related to them as of 31 December 2021

Name	No of shares	% owned
Kjell Roland, Chairman of the Board	190 475	0.08 %
Kjell Sletsjøe, Board member	21 676	0.01 %
Eva Kaijser[1]	110 472	0.05 %
Ivar S. Fossum, CEO	732 755	0.32 %
Kenneth N. Angedal, Operations Director	45 822	0.02 %
Mona Schanche, VP Resource and Sustainability	41 063	0.02 %
Total	**1 031 791**	**0.45 %**

1. The shares are owned by the company Fågelsången AB.

Shares owned/controlled by members of the Board and senior management and those related to them as of 31 December 2020

Name	No of shares	% owned
Kjell Roland, Chairman of the Board	90 475	0.05 %
Kjell Sletsjøe, Board member	21 676	0.01 %
Eva Kaijser[1]	110 472	0.06 %
Ivar S. Fossum, CEO	696 755	0.35 %
Birte Norheim, former CFO[2]	90	0.00 %
Lars K. Grøndahl, Senior Advisor[3]	1 725 000	0.87 %
Kenneth N. Angedal, Operations Director	45 822	0.02 %
Mona Schanche, VP Resource and Sustainability	41 063	0.02 %
Total	**2 620 881**	**1.33 %**

1. The shares are owned by the company Fågelsången AB.
2. The shares are owned by the company Bino Consult AS.
3. The shares are owned by the company Magil AS.

Options held by Board Members and key management at 31 December 2021

Name	Total granted and outstanding	Exercise price	Expiry date
Ivar S. Fossum, CEO	1 050 000	2.63	jun.22
Christian Gjerde, CFO	400 000	2.62	jun.22
Lars K. Grøndahl, former Senior Advisor	400 000	2.63	jun.22
Mona Schanche, VP Resource and Sustainability	400 000	2.63	jun.22
Kenneth N. Angedal, Operations Director	400 000	2.63	jun.22
Total	**2 650 000**		

No options have been granted to members of the Board.

NOTE 21 - PENSIONS

The Group has a defined benefit plan or a defined contribution plan (for new employees) for its employees in the parent company, Nordic Mining ASA and a defined contribution plan for its employees in Nordic Rutile AS. The plans meet the Norwegian statutory requirements for pension plans for employees.

Defined Benefit Plan

The Group has one benefit plan for Norwegian employees with a total of 2 active members. The Group's defined benefit pension plan is a final salary plan and contributions are made to a separately administered fund. The level of benefits provided depends on the member's length of service and salary at retirement age.

Pension cost

(Amounts in NOK thousands)	2021	2020
Pension cost - employee benefit	880	810
Pension cost - interest expense	24	24
Total pension related costs	**904**	**834**
Remeasurement gains/(losses) recorded to OCI	(100)	(808)

Movement in pension obligation during the year

(Amounts in NOK thousands)	2021	2020
Pension obligations January 1	14 785	12 996
Current value of pension benefits for the year	904	834
Interest costs	222	264
Payments	(133)	(131)
Remeasurement loss/ (gain)	(4)	738
Other	(71)	85
Pension obligations as of 31 December	**15 704**	**14 785**

Movement in pension funds during the year

(Amounts in NOK thousands)	2021	2020
Pension funds 1 January	13 417	12 410
Expected return on plan assets	179	229
Contributions	1 271	957
Payments	(133)	(131)
Other	11	23
Remeasurement (loss)/ gain	(104)	(70)
Pension funds as of 31 December	**14 641**	**13 417**

Pension liability is classified in the balance sheet as follows

(Amounts in NOK thousands)	2021	2020
Pension funds	14 641	13 417
Pension obligations	(15 704)	(14 785)
Net pension asset	**(1 062)**	**(1 368)**
Pension asset/(liability) is shown in the balance sheet as:		
Other long-term asset	-	-
Pension liabilities	(1 062)	(1 368)

Assumptions

	2021	2020
Discount interest rate	1.90 %	1.70 %
Annual projected increase in salary	2.75 %	2.25 %
Annual projected G-regulation	2.50 %	2.00 %
Annual projected regulation of pension	0.00 %	0.00 %

The major categories of plan assets as a percentage of the fair value of total plan assets

	2021	2020
Equities	9.70 %	7.20 %
Bonds	19.60 %	20.40 %
Money market	10.60 %	10.60 %
Hold to maturity bonds	26.70 %	30.80 %
Loans and receivables	19.10 %	17.00 %
Real estate	13.60 %	13.60 %
Other	0.70 %	0.40 %

NOTE 22 - LEASES

The Group implemented IFRS 16 Leases from 1 January 2019 and recognized a right-to-use asset related to the leasing of vehicles; see note 11. Short-term leases have been expensed as incurred; see note 6. The Group's office lease is cancellable with 4 months' notice with no more than an insignificant penalty and is as such considered a short-term lease.

Lease liability

(Amounts in NOK thousands)	2021	2020
Lease liability 1 January	373	114
Additions lease contracts	-	400
Accretion lease liability, included in finance cost	28	12
Payments of lease liability	(156)	(153)
Total lease liability 31 December	**245**	**373**

Specification of lease liability in the balance sheet

(Amounts in NOK thousands)	2021	2020
Current *	132	155
Non-current	113	218
Total lease liability 31 December	**245**	**373**

* Current lease liability is included in other current liabilities; see note 16.

Future minimum lease payments under non-cancellable lease agreements (undiscounted)

(Amounts in NOK thousands)	2021	2020
Within a year	744	747
From year 2-5	132	284
Total	876	1 031

NOTE 23 – PAYMENTS TO AND FROM GOVERNMENTAL INSTITUTIONS

In accordance with the Accounting Act, section 3-3d, the Group has assessed its relations with and payments to and from governmental institutions. The Group's governmental relations are only with institutions in Norway. All relations and payments are in the ordinary course of business and related to i.a. license payments, payment of prospectus/financial authority fees, R&D projects grants, tax refund, etc.

Estimated total payment from the Group to various Norwegian governmental institutions was NOK 0.2 million in 2021 (2020: NOK 1.1 million). Estimated total payment to the Group from various Norwegian governmental institutions was NOK 1.2 million in 2021 (2020: NOK 2.1 million).

NOTE 24 – COMMITMENTS AND CONTINGENCIES

Conditional liability Engebø
The Group has a conditional liability to the seller of the mining rights in the Engebø area of NOK 40 million that will be paid if and when commercial operation commences at Engebø. No liability has been recognized as per 31 December 2021.

In October 2021 the Oslo District Court has ruled in favour of the subsidiary Nordic Rutile in the court case against Artic Mineral Resources (AMR). The ruling confirms that Nordic Rutile's extraction rights are valid and that the company has the right to extract and - within the limits of the Norwegian Mining's Act - utilize garnet and all other minerals on the Vevring side of the Engebø deposit. AMR has appealed the ruling.

NOTE 25 – EVENTS AFTER BALANCE SHEET DATE

On 10 January 2022, Nordic Mining entered into a NOK 132.5 convertible loan agreement with a group of local Sunnfjord investors led by two of the engineering, procurement and construction partners for the Engebø project, and their shareholders, together with other local investors. This transaction is the first step in the project financing of the Engebø project. The convertible loan will upon conversion contribute as part of the equity for the project financing package, expected to be around USD 250 million comprising debt, equity and potential hybrid capital or royalty. The Company is currently progressing its assessment of several financing structures and targets a financial close in H1 2022.

On 17 February 2022, Sunnfjord Municipality has approved the building permit for all infrastructure groundworks for the Engebø Rutile and Garnet Project. The permit is fully in line with the UDFS and the Engineering, Procurement and Construction ("EPC") contracts. The permit is subject to right of appeal within three weeks. The approved building permit by the municipality together with already approved demolition permit for existing buildings and agreement with county road authority, completes the formal requirements for starting construction work at Engebø. Permits for general and process plant buildings will be applied for in due course according to finalization of detail engineering by the EPC.

In March 2022, Keliber released the Updated Definitive Feasibility Study ("UDFS") for the Lithium Project in Central Ostrobothnia, Finland. The updated study confirmed, according to Keliber, a solid financial and technical feasibility, with significant improvements in the key financials compared to the Definitive Feasibility Study ("DFS") from 2019.

Key economic figures from Keliber's UDFS (numbers in brackets relate to the comparable numbers from DFS from 2019):

- Post-tax NPV@8% of EUR 1,228 million (EUR 384 million)
- Post-tax IRR 31% (24%)
- Payback period (from start of production) 3.5 years (4.1 years)

Nordic Mining's carrying amount for the investment was as of 31 December 2021 NOK 190.5 million based on a fair value assessment using comparable valuation analysis using industry practice P/NAV and EV/Resource multiples from a peer-group of lithium developers at PFS/DFS. The fair value assessment assumed a Post-Tax NPV on 100% basis of around EUR 365 million at 8% real discount rate as derived from the investor material provided by Keliber in relation the investment by SSW in Q2 2021. For details related to the Group's fair value assessment as per 31 December 2021 see Note 12.

In late February 2022, Russian troops invaded Ukraine, triggering a humanitarian crisis of proportions the world has not seen since the Second World War. The developments relating to the invasion could adversely affect global economic outlook and volatility. Nordic Mining is not directly exposed to or has any assets in Ukraine or Russia, nor is the Group reliant on any suppliers from the region.

Corporate accounts for Nordic Mining ASA

INCOME STATEMENT

(Amounts in NOK thousands)	Note	2021	2020
Revenues from Group companies		9 723	7 535
Other income		188	-
Payroll and related costs	4	(11 245)	(10 361)
Depreciation and amortization	3	-	(95)
Other operating expenses	5	(7 004)	(7 367)
Operating loss		**(8 338)**	**(10 288)**
Impairment of investment and loans to subsidiary	13	(687)	(873)
Financial income	6	4 042	4 234
Financial costs	6	(184)	(70)
Profit/(loss) before tax		**(5 167)**	**(6 997)**
Income Tax	7	-	-
Net profit/(loss)		**(5 167)**	**(6 997)**
ALLOCATION OF (LOSS)/PROFIT:			
Allocated to other equity		(5 167)	(6 997)

BALANCE SHEET

(Amounts in NOK thousands)	Note	2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	-	174
Investment in subsidiaries	13	302 013	231 303
Financial investments	13	75 190	51 160
Long term receivables from group companies	9	63 819	76 030
Total non-current assets		**441 022**	**358 667**
Current assets			
Other receivables and prepayments	9	1 667	1 530
Cash and cash equivalents	10	29 637	41 094
Total current assets		**31 304**	**42 624**
Total assets		**472 325**	**401 291**

(Amounts in NOK thousands)	Note	2021	2020
SHAREHOLDERS' EQUITY & LIABILITIES			
Shareholders' equity			
Share capital	11	137 695	118 495
Share premium	11	313 699	472 824
Other paid-in capital	11	16 038	15 805
Other equity		(0)	(210 527)
Total equity	**11**	**467 432**	**396 597**
Non-current liabilities			
Pension liabilities	4	1 062	1 368
Total non-current liabilities		**1 062**	**1 368**
Current liabilities			
Trade payable		901	574
Provision and other current liabilities	12	2 929	2 752
Total current liabilities		**3 831**	**3 326**
Total liabilities		**4 893**	**4 694**
Total shareholders' equity and liabilities		**472 325**	**401 291**

Oslo, 27 April 2022
The Board of Directors of Nordic Mining ASA

Kjell Roland
Chair

Kjell Sletsjøe
Deputy chair

Eva Kaijser
Board member

Benedicte Nordang
Board member

Antony Beckmand
Board member

Ivar S. Fossum
CEO

CASH FLOW STATEMENT

(Amounts in NOK thousands)	Note	2021	2020
Operating activities			
Profit/(loss) before income tax		(5 167)	(6 997)
Depreciation		-	95
Gain on sale of fixed assets		(188)	-
Impairment of investment and loans to subsidiary	13	687	873
Share-based expenses	4	209	142
Changes in assets and liabilities			
Receivables, operating receivables from subsidiaries, prepayments	9	(59 297)	(36 577)
Trade payables		327	(274)
Accrued expenses and other current liabilities	12	178	(343)
Difference between pension expense and payment		(405)	(25)
Net cash used in operating activites		**(63 656)**	**(43 106)**

(Amounts in NOK thousands)	Note	2021	2020
Investing activities			
Financial investments	13	(24 030)	-
Sale of property, plant and equipment		363	-
Net cash used in investing activities		**(23 668)**	**-**
Financing activities			
Share issuance	11	80 000	57 400
Transaction costs, share issue		(4 133)	(3 430)
Net cash from financing activities		**75 867**	**53 970**
Net change in cash and cash equivalents		(11 457)	10 864
Cash and cash equivalents at beginning of period	10	41 094	30 230
Cash and cash equivalents at end of period	10	**29 637**	**41 094**
Non-cash transactions			
Conversion of debt to equity in subsidiaries		36 559	32 180

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – GENERAL INFORMATION

Nordic Mining ASA ("the Company") and its subsidiaries (together "the Group") focus on exploration, extraction and production of high-end industrial minerals and metals. The address of Nordic Mining's office is Munkedamsveien 45, N-0250 Oslo, Norway.

These financial statements were approved for issue by the Board of Directors on 27 April 2022.

NOTE 2 – SUMMARY OF THE MOST IMPORTANT ACCOUNTING PRINCIPLES

The most important accounting principles that have been used in developing the Company accounts are described below. These principles have been consistently applied unless otherwise stated.

Basic principles
The Company accounts have been presented in accordance with the Norwegian accounting act and generally accepted accounting principles in Norway. The related notes are an integral part of the financial statements of the Company. The annual accounts are based on the going concern assumption, ref. discussion below.

Going concern assumption
Based on current forecasts and working plans, the Company's working capital is sufficient to fund operations and payment of financial obligations in 2022 and into 2023.

For a more complete description of Nordic Mining Group's liquidity risk, reference is made to Note 14 in these annual financial statements, Note 17 and 25 in the consolidated annual statements and the Board of Directors' report.

Investment in subsidiaries, associated entities and equity instruments
Subsidiaries are companies controlled by the Company. Associated companies are investments in companies where the Company has significant influence, but not control. Significant influence normally exists when the company controls between 20% and 50% of the voting rights.

Subsidiaries, associates, and investments in equity instruments are measured at cost in the statutory accounts. The investments are measured at acquisition cost, unless impairment has been necessary. Such assets are deemed to be impaired at fair value when a decrease in value cannot be considered to be of temporary nature. Impairments are reversed when the basis for the impairment no longer applies.

Transactions in foreign currency
Transactions in foreign currencies are initially recorded in the functional currency rate at the date of the transaction. Monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Acquisition of mining and mineral properties and exploration and development of such properties
Exploration and evaluation assets are classified as tangible or intangible according to the nature of the assets acquired.

Some exploration and evaluation assets should be classified as intangibles, such as drilling rights and capitalised exploration cost. When technical feasibility and commercial viability of extracting a mineral resource is demonstrable, the assets should be reclassified as tangible assets. Evaluation and exploration assets that are classified as intangible assets are tested for impairment prior to reclassification.

Mining and mineral properties
Mining interests represent capitalised expenditures related to the acquisition, exploration and development of mining properties and related plant and equipment. Capitalised cost is depreciated and depleted using a unit of production method over the estimated economic life of the mine to which they relate.

Exploration and development for mineral properties
The Company employs the successful efforts method to account for exploration and development cost. All exploration cost, with the exception of acquisition cost of licenses and direct drilling cost of exploration wells are expensed as incurred.

Drilling cost of exploration holes are temporarily capitalized pending the evaluation of the potential existence of mineral resources. If resources are not found, or if discoveries are assessed not to be technically and commercially recoverable, the drilling cost of exploration holes are expensed. Cost of acquiring licenses are capitalized and assessed for impairment at each reporting date.

Receivables
The Company's receivables are mainly receivables from group companies. Receivables are recognized initially at cost, and subsequently measured at amortized cost using the effective interest method if the amortization effect is material, less provision for impairment.
A provision for impairment of trade receivables is established when there is objective evidence that the Company may not be able to collect all amounts due according to the original terms of receivables.

Cash and cash equivalents
Cash and cash equivalents consist of cash, bank deposits and other short term, easily convertible

investments with maximum three months original maturity.

Share capital
Ordinary shares are classified as equity. Expenses that are directly linked to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Loans
All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue cost associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method; any difference between proceeds (net of transaction cost) and the redemption value is recognized on the income statement over the period of the interest-bearing liabilities.

Trade payables
Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, if the amortization effect is material.

Government grants
Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

Share-based compensation
The Group use options to incentivize employees and qualified resource persons. The fair value of the options is recognized as an expense in the financial statements over the vesting period. Fair value of options is estimated by use of the Black Scholes option model.

Deferred tax
Income tax expense represents the sum of the taxes currently payable and deferred tax. Taxes payable are provided based on taxable profits at the current tax rate. Deferred taxes are recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred income tax is not recognized on temporary differences arising from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Revenue recognition
The primary revenue comes from sale of services to Group companies. Revenues are recognized in the accounting period in which the services are provided.

Pensions
The Company has a defined benefit pension plan and a defined contribution plan for its employees that meet the Norwegian statutory requirement. For the defined benefit plan, the cost of providing the benefits is determined using the unit credit method, with actual valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in equity in the period in which they occur. Past service costs are recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. For the defined contribution plan the cost is expensed as incurred.

Cash flow statement
The Company reports the cash flow statement using the indirect method. The method involves adjusting the result for the period for the effects of transactions without effect on cash and changes in assets and liabilities to show net cash flow from operations. Cash flow relating to investment activities and financing activities are shown separately.

Related parties
All transactions, agreements and business activities with related parties are processed on standard arm's length business terms. Parties are related if they have the possibility to directly or indirectly control the business or provide significant influence over the financial and operational decision of the business. The parties are also related if they are subject to "common control". The Company provides information in notes about transactions and balances with related parties in Note 4.

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

(Amounts in NOK thousands)	**Vehicles**
31 December 2020	285
Additions	-
Disposals	(285)
31 December 2021	**-**
Depreciation	
1 January 2020	(16)
Depreciation expensed	(95)
31 December 2020	**(111)**
Depreciation expense	-
Disposals	111
31 December 2021	**-**
Net book value	
31 December 2021	**-**
31 December 2020	174

Vehicles are depreciated over a period of 5 years.

NOTE 4 - SALARIES, SHARE-BASED COMPENSATION, RELATED PARTY AND MANAGEMENT COMPENSATION, AND PENSIONS

(Amounts in NOK thousands)	**2021**	**2020**
Wages and salaries	6 951	6 551
Social security costs	1 389	1 189
Pension costs defined benefit plan	862	931
Pension costs defined contritbution plan	94	53
Board members, etc	1 300	1 300
Share-based compensation	447	142
Other personnel costs	202	196
Total	**11 245**	**10 362**
Average number of full time employees	3,5	4

Option granted to employees

On 1 November 2018, the General Meeting of Nordic Mining approved an equity settled share-based compensation program of up to 4.5 million options for employees and qualified resource persons. On 26 November 2018, the Board of Directors granted 3 million options at a strike price of NOK 2.63 per share to employees in the Group. The options vest by 1/3 each year, first time on 30 June 2019. The option agreements expire on 30 June 2022 and are conditional on the employee remaining in the Group's employment for the duration of the vesting period.

In April 2021 additional 0.4 million options were granted at a strike price of NOK 2.62 per share. These options vest at grant date and expire on 30 June 2022.

	2021		2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding 1 January	1 850 000	2,63	1 850 000	2,63
Granted during the year	400 000	2,62	-	-
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding 31 December	**2 250 000**	**2,63**	**1 850 000**	**2,63**
Exercisable 31 December	**2 250 000**	**2,63**	**808 333**	**2,63**

The average fair value of options granted in 2018 was NOK 0.59 at the time of grant, and the average fair value of options granted in 2021 was NOK 0.33 at the time of grant. The average remaining contractual life for options outstanding as per 31 December 2021 was 0.5 years.

The company has expensed share based payment of NOK 209 thousand in 2021 (2020: NOK 141 thousand).

The Group used the Black Scholes model to estimate fair value of the options granted at the time of grant. The following table show the weighted-average assumptions used in the model:

Weighted-average assumptions	2021	2020
Volatility	41 %	40 %
Expected life	2.35	2.58
Risk free interest	1.05 %	1.16 %
Share price	2.47	2.47
Exercise price	2.63	2.63

Reference is made to Note 4, 5, 20, and 21 in the consolidated financial statements for information regarding salaries, share-based compensation, related party and Senior Management, pensions etc.

The disclosure in Note 21 – Pensions regarding the defined benefit plan - relates in its entirety to Nordic Mining ASA as the subsidiaries only has defined contribution plans.

NOTE 5 – OTHER OPERATIONAL COSTS

(Amounts in NOK thousands)	2021	2020
Leasing costs	1 898	1 949
Consulting and legal fees	1 802	3 125
Other costs	3 304	2 293
Total	**7 004**	**7 367**

Auditor fees

(Amounts in NOK thousands)	2021	2020
Statutory audit	590	388
Other attestationservices	12	27
Tax services	-	-
Total	**602**	**415**

The amounts exclude VAT.

NOTE 6 – FINANCIAL INCOME AND FINANCIAL COSTS

(Amounts in NOK thousands)	2021	2020
Interest income on bank deposits	40	172
Interest from Group companies	4 002	4 048
Foreign exchange gains	-	14
Finance income	**4 042**	**4 234**
Other finance costs	16	3
Foreign exchange losses	168	66
Finance costs	**184**	**69**

NOTE 7 - TAXES

The Company has incurred substantial tax loss carry forwards of NOK 258,5 million as per 31 December 2021. At this stage, the Company cannot substantiate that there will be sufficient future income to be able to realise the Company's unused tax losses, and thus the Company has not recognized any deferred tax asset as per 31 December 2021. There is no time limitation for utilization of tax losses carried forward in Norway.

Income taxes for the year

(Amounts in thousands)	2021	2020
Taxes payable	-	-
Deferred tax	-	-
Income tax expense/(income)	**-**	**-**

Tax impact of temporary differences as of 31 December

(Amounts in thousands)	2021	2020
Property, plant & equipment	2 285	(2 318)
Current liabilities	52	-
Pensions	234	301
Tax loss carryforwards	56 859	54 941
Net deferred tax assets	**59 430**	**52 924**
Nominal tax rate (used to measure deferred tax items)	22 %	22 %
Recognized on the balance sheet		
Deferred tax asset	-	-
Deferred tax liability	-	-

The Company recognized NOK 4.14 million in gross transaction cost of the 2021 share issues directly in equity (in 2020: NOK 3.4 million) which is included in tax loss carry forwards.

The following table shows the reconciliation of expected tax using the nominal tax rate to the actual tax expense/(income):

(Amounts in thousands)	2021	2020
Net profit/(loss) before tax	(5 167)	(6 997)
Nominal tax rate	22 %	22 %
Expected tax expense/(income)	(1 137)	(1 539)
Non-deductible costs	1	2
Impairment of investment and loans to subsidary	151	192
Non-deductible share compensation costs	46	31
Non-recognized deferred tax asset	939	1 314
Tax expense/(income)	**-**	**-**

NOTE 8 – EXPLORATION AND EVALUATION ASSETS

There were no exploration activities in Nordic Mining ASA in 2021 or 2020.

NOTE 9 - OTHER RECEIVABLES, PREPAYMENTS AND LOANS TO RELATED PARTIES

Other receivables and prepayments

(Amounts in NOK thousands)	2021	2020
Other financial receivables	915	957
Prepayments	752	573
Totalt	1 667	1 530

Specification of intercompany loans/receivables

(Amounts in NOK thousands)	2021	2020
Nordic Rutile AS	63 819	76 030
Nordic Quartz AS	-	-
Nordic Ocean Resources AS	-	-
Total	**63 819**	**76 030**
Classified as current liabilities	-	-
Classified long-term receivables	63 819	76 030

During 2021, the Company converted NOK 35,685 million of debt in Nordic Rutile AS to equity, NOK 0,583 million of debt in Nordic Quartz AS to equity, and NOK 0,291 million of debt in Nordic Ocean Resources AS to equity.

The Company has in 2021 written down loan receivable from Nordic Quartz of NOK 241 thousand and a receivable of NOK 54 thousand from Nordic Ocean Resources.

The interest rate on the intercompany loans is 5% pa.

NOTE 10 - CASH AND CASH EQUIVALENTS

(Amounts in NOK thousands)	2021	2020
Bank deposits	29 637	41 094
Total cash and cash equivalents	**29 637**	**41 094**
Included in cash and cash equivalent - Employee witholding tax	314	427

NOTE 11 - SHARE CAPITAL AND CHANGES IN EQUITY

Number of shares outstanding	**Ordinary Shares**
2020	
Opening balance	168 791 772
Share issuance	28 700 000
31 December 2020	**197 491 772**
2021	
Opening balance	197 491 772
Share issuance	32 000 000
31 December 2020	**229 491 772**

Reference is made to Note 15 in the consolidated financial statements for information regarding share issues in 2021 and 2020. Reference is made to Note 19 for information regarding the 20 largest shareholders in Nordic Mining ASA as per 31 December 2021.

All shares have equal rights. Nominal value is NOK 0.60 per share.

Changes in equity were as follow

(Amounts in NOK thousands)	Share capital	Share premium	Other paid-in equity	Other equity	Total
Equity at 1 January 2020	**101 275**	**436 074**	**15 578**	**(202 721)**	**350 206**
Share-based Compensation	-	-	227	-	227
Share issue	17 220	40 180	-	-	57 400
Transaction costs on share issue	-	(3 430)	-	-	(3 430)
Actuarial gain losses on pensions	-	-	-	(808)	(808)
Profit for period	-	-	-	(6 997)	(6 997)
Equity at 31 December 2020	**118 495**	**472 824**	**15 805**	**(210 526)**	**396 598**
Share-based Compensation	-	-	233	-	233
Share issue	19 200	60 800	-	-	80 000
Transaction costs on share issue	-	(4 133)	-	-	(4 133)
Reduction of share premium to cover loss	-	(215 792)	-	215 792	-
Actuarial gain losses on pensions	-	-	-	(99)	(99)
Loss for the period	-	-	-	(5 167)	(5 167)
Equity at 31 December 2021	**137 695**	**313 699**	**16 038**	**(0)**	**467 432**

NOTE 12 - PROVISION AND OTHER CURENT LIABILITIES

The following table specifies amounts included in provisions and other current liabilities at 31 December:

(Amounts in NOK thousands)	2021	2020
Tax withholding and social security accrual	543	703
Employee salary and holiday pay accrual	688	712
VAT payable	193	325
Accrued expenses and other current liabilities	1 505	1 012
Total	**2 929**	**2 752**

NOTE 13 - INVESTMENTS IN SUBSIDIARIES AND EQUITY INSTRUMENTS

Nordic Mining ASA's investment in subsidiaries as at 31 December 2021 is shown in the following table:

(Amounts in NOK thousands)	Location	Year incorp.	Share capital	Ownership	Equity 31.12.21	Net loss 2021	Carrying amount 31.12.21
Nordic Rutile AS	Oslo, Norge	2006	23 332	100 %	12 929	(55 813)	302 013
Nordic Ocean Resources AS	Oslo, Norge	2011	122	100 %	(330)	(331)	-
Nordic Quartz AS	Oslo, Norge	2011	127	100 %	(341)	(330)	-
Total							**302 013**

2021

The Company converted NOK 35,685 million of debt in Nordic Rutile AS to equity, NOK 0,583 million of debt in Nordic Quartz AS to equity, and NOK 0,291 million of debt in Nordic Ocean Resources AS to equity.

Despite low equity, the carrying value of shares in Nordic Rutile AS is deemed recoverable based on currently available information regarding the discovered resources.

Due to the expiration of the exclusive rights for investigation and development of the Kvinnherad quartz deposit in April 2019, the carrying amount of the Company's investment in Nordic Quartz was written off at year end 2021.

Due to the general uncertainties related to timing and progress of seabed mineral exploration and the Group's prioritization of the Engebø rutile and garnet project, the carrying amount of the Company's investment in Nordic Ocean Resources was written off at year end 2021.

Group contribution from Nordic Mining ASA to Nordic Rutile AS of NOK 35 million has been recognised as an increase of the investment.

2020

The Company converted NOK 30,195 million of debt in Nordic Rutile AS to equity, NOK 1,762 million of debt in Nordic Quartz AS to equity, and NOK 0,223 million of debt in Nordic Ocean Resources AS to equity.

Despite low equity, the carrying value of shares in Nordic Rutile AS is deemed recoverable based on currently available information regarding the discovered resources.

Due to the expiration of the exclusive rights for investigation and development of the Kvinnherad quartz deposit in April 2019, the carrying amount of the Company's investment in Nordic Quartz was written off at year end 2020.

Due to the general uncertainties related to timing and progress of seabed mineral exploration and the Group's prioritization of the Engebø rutile and garnet project, the carrying amount of the Company's investment in Nordic Ocean Resources was written off at year end 2020.

Financial investments

As per 31 December 2021, the Company held approximately 12,7% of the shares in Keliber Oy in Finland.

(Amounts in NOK thousands)	Carrying amount
Carrying amount 1.1.20	51 160
Additional investment 2020	-
Carrying amount 31.12.20	**51 160**
Additional investment	24 030
Carrying amount 31.12.21	**75 190**

NOTE 14 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Management of financial risk
Nordic Mining is exposed to various types of financial risk related to its financial instruments, market risk primarily related to currency (EUR) related to the investment in Keliber and floating interest rate on cash and cash equivalents, and liquidity risk.

Liquidity risk
Liquidity risk is the risk that the Company is not able to pay its financial obligations upon maturity. The Company has to a large degree used equity financing to meet liquidity demands related to financial obligations, cover operational losses and for investments. Nordic Mining ASA does not have significant financial obligations and has no interest-bearing debt.

As per the date of this report the Company has sufficient working capital to fund running operations and payment of financial obligations in 2022 and into 2023 based on current forecasts plans.

For a more complete description of Nordic Mining Group's liquidity risk, reference is made to Note 17 in the consolidated financial statements and the Board of Directors' report.

Market risk
Variable interest risk
The Company is exposed to cash flow risk related to receivables from subsidiaries that has a fixed interest rate. Furthermore, the Company has exposure to the floating interest risk related cash or cash equivalent deposits.

Currency exchange risk
As per 31 December 2021, the Company has limited exposure to currency exchange risk. Cash holdings are placed in bank accounts in Norwegian Kroner (NOK). Throughout 2020 and 2021, the Group's only currency exposure of significance relates to the investment in Keliber Oy (EUR).

Credit risk
The Company does not have receivables from sales (receivables are primarily from companies within the Group). The Company has no or limited credit risk from external parties. The Company has written down NOK 0,3 million of loans to subsidiary as per 31.12.2021. (ref. Note 9).

Sensitivity analysis
The Company's result and equity is only to a limited extent exposed to changes in interest rate (bank deposit and intercompany loans) and currency exchange rates.

NOTE 15 – EVENTS AFTER BALANCE SHEET DATE

See note 25 in the consolidated financial statements.

DEFINITIONS

Alternative Performance Measures
Nordic Mining's financial information is prepared in accordance with International Financial Reporting standards ("IFRS"). In addition, the Group use selected Alternative Performance Measures ("APMs") intended to enhance the understanding and comparability of the project economics of the Engebø Rutile and Garnet Project and Keliber Project toward peers. Nordic Mining's experience is that these APMs are used by analysts, investors, and other parties. The Alternative Performance Measures presented may be determined or calculated differently by other companies.

The main APMs used are the following:
- EBITDA: Projected revenues minus projected operating costs and royalties
- EBITDA-margin: Projected EBITDA divided by total projected revenues
- Free Cash Flow (Unlevered): Projected operating cash flow minus net cash flow from investing activities
- IRR: Projected Internal Rate of Return ("IRR") derived from the Free Cash Flow
- NPV: Net Present Value ("NPV") of the Free Cash Flow discounted using a real discount rate of 8%
- Operating Cash Flow (Unlevered): Projected EBITDA minus projected corporate income tax and changes in net operating working capital

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RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that the consolidated financial statements for 2021 have been prepared in accordance with IFRS as adopted by the European Union, as well as additional information requirements in accordance with the Norwegian Accounting Act, that the financial statements for the parent company for 2021 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and result of Nordic Mining ASA and the Nordic Mining Group for the period.

We also confirm to the best of our knowledge that the Board of Directors' Report includes a true and fair review of the development, performance and financial position of Nordic Mining ASA and the Nordic Mining Group, together with a description of the principal risks and uncertainties that they face.

Oslo, 27 April 2022

The Board of Directors of Nordic Mining ASA

Kjell Roland
Chair

Kjell Sletsjøe
Deputy Chair

Benedicte Nordang
Board member

Eva Kaijser
Board member

Antony Beckmand
Board member

Ivar S. Fossum
CEO

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Nordic Mining ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Nordic Mining ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise balance sheet as at 31 December 2021 and the income statement, cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the statement of financial position as at 31 December 2021, the statement of profit and loss, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 16 years from incorporation on 23 February 2006 for the accounting year 2006.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate

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opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of investment in Keliber Oy ("Keliber")

Basis for the key audit matter	*Our audit response*
The ownership in Keliber was diluted from 16.3% to 12.7% at 31 December 2021 through equity offerings in which Nordic Mining ASA ("Group") did not fully participate. At year-end the investment was valued at NOK 190.5 million, after recognizing a gain on fair value measurement of NOK 66.4 million. Management's fair value assessment of the investment at year-end is based on a significant degree of judgment and input from data that is not directly observable in the market. Considering the use of significant judgment and that the measurement would have a material effect on the financial statements, the valuation of the investment in Keliber at fair value was deemed to be a key audit matter.	We evaluated management's assessment of the influence over Keliber and the classification and accounting for the investment at fair value against the requirements within IFRS, including economic ownership, shareholder structure and the composition of nomination committee and the Board. At year-end we obtained an understanding of management's valuation process and valuation model used to determine the fair value of the investment. We tested and assessed the significant assumptions applied in the valuation such as the lithium market outlook, suitability of identified peers, currency rates and other external and entity specific observable factors. We evaluated the valuation methodology and reperformed the fair value calculations. Further, we performed a sensitivity analysis on key assumptions and corroborated against external sources. Refer to note 2 Summary of significant accounting principles in the consolidated financial statement under the section Significant accounting judgements, estimates and assumptions and note 12 Financial investments for further description of the Group's assessment.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate social responsibility and the report on payments to government contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other

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information or that the information required by applicable legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate social responsibility and the report on payments to government are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of our audit of the financial statements of Nordic Mining ASA we have performed an assurance engagement to obtain reasonable assurance whether the financial statements included in the annual report, with the file name nordicmining-2021-12-31-en, has been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation given with legal basis in Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements included in the annual report have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of an annual report and iXBRL tagging of the consolidated financial statements that complies with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary to enable the preparation of an annual report and iXBRL tagging of the consolidated financial statements that is compliant with the ESEF Regulation.

Auditor's responsibilities

Our responsibility is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to

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obtain reasonable assurance that the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its annual report in XHTML format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 27 April 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan Lid Nordby
State Authorised Public Accountant (Norway)

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ARTICLES OF ASSOCIATION

for Nordic Mining ASA per 24 February 2021

1. The name of the company is Nordic Mining ASA. The company is a public limited liability company.

2. The registered office of the company is in Oslo.

3. The object of the company is to carry out exploration for minerals and ores, mining activity, technology development, activities that may be associated herewith, and participation in other companies anywhere in the world.

4. The share capital of the company amounts to NOK 137,695,063.20 divided on 229,491,772 shares of a nominal value of NOK 0.60. The shares of the company shall be registered in the Norwegian Registry of Securities.

5. The board of directors of the company shall have from 3 to 8 members according to the decision of the shareholders' meeting. Two board members jointly can sign on behalf of the company.

6. The company shall have an Election Committee consisting of three members who shall be elected by the general meeting. The members of the Election Committee shall, when they are elected, be shareholders or representatives of shareholders of the company. The Election Committee shall make recommendations to the general meeting concerning the election of members and deputy members to the board of directors. The Election Committee shall also make recommendations concerning remuneration to such members. Members of the Election Committee are elected for a period of two years. The members of the board of directors which have been elected by the general meeting make recommendations for and adopt instructions for the Election Committee.

7. The shareholders' meeting shall deal with:
(i) Adoption of the annual accounts and annual report, including payment of dividends.
(ii) Other matters that pursuant to law are the business of the shareholders' meeting.

8. If a document that relates to an issue that the general meeting shall decide on is made available to the company's shareholders on the company's website, then such a -document does not have to be physically sent to the shareholders of the company. However, such a document shall be sent to the shareholder free of charge if shareholders request it.

9. Shareholders that plan to attend a General meeting must give notice to the company within 5 days of the general meeting. Shareholders who have not given such notice within 5 days of the general meeting may be denied entrance to the general meeting.

10. The Board of Directors may determine that the shareholders may cast advance votes in writing in matters to be considered by the general meetings of the Company. Such votes may also be casted through electronic means. Voting in writing requires an adequately secure method to authenticate the sender. The Board of Directors may determine further guidelines for written advance voting. The summons to the general meeting shall state whether advance voting is allowed prior to the general meeting, and, if so, the guidelines for such voting.

FINANCIAL CALENDAR 2022

May 2022	May 2022	August 2022	November 2022	February 2023
10	**19**	**16**	**8**	**7**
First quarter results 2022	Annual General Meeting	Half yearly results 2022	Third quarter results 2022	Fourth quarter results 2022

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Design and production:
aprilreklameoslo.no

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