

INTERIM REPORT

Per 31 December 2023



MINERALS FOR A SUSTAINABLE FUTURE

Safety – Environment – Innovation

Nordic Mining ASA ("Nordic Mining" or the "Company") is a resource company with focus on high-end industrial minerals and metals. The Company is undertaking a large-scale industrial development at Engebø on the west coast of Norway through its wholly owned subsidiary, Engebø Rutile and Garnet AS, which has mining rights and permits to a substantial eclogite deposit with rutile and garnet.

In addition, Nordic Mining holds interests in other initiatives at various stages of development. This includes patented rights for a new technology for production of alumina and landowner agreement for exploration and development of a high purity quartz deposit in the Kvinnherad Municipality in Norway. Nordic Mining's project portfolio is of high international standard and holds significant economic potential.

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

Group interim report for the quarter ended 31 December 2023

Nordic Mining ASA ("Nordic Mining" or the "Company") is a Norwegian mining and minerals company incorporated in Oslo, Norway. With ongoing construction of one of the worlds' largest resources of natural rutile in a dual mineral project ("Engebø" or the "Engebø Project"), the Company is committed to deliver critical minerals to Europe and international markets producing the worlds' most climate friendly titanium feedstock.

The Engebø deposit has among the highest grades of rutile (TiO₂) compared to existing producers and other projects under development. The deposit also contains significant quantities of high-quality garnet. The Engebø life of mine is 39 years, comprising of 15 years of open pit mining followed by 24 years of underground mining. Favorable location, topography and local hydropower enables efficient and climate friendly production of high-quality natural rutile and garnet. Engebø was fully financed by USD 277 million in March 2023. Following completion of project financing of the Engebø Project the four lump-sum EPC ("Engineering, Procurement and Construction") contracts with Sunnfjord Industripartner AS, Åsen & Øvreid AS, Nordic Bulk AS and Normatic AS were fully activated. Offtake agreements have been secured for up to the full production of rutile and garnet for the first 5 years of production.

Highlights

- The Company reported NOK 322.1 million in capitalized costs related to the construction of the Engebø Project in the fourth quarter, compared to NOK 266.1 million in the third quarter. For the full year 2023, the total capitalized costs related to *Mine under construction* ended at NOK 1.1 billion. The Company's consolidated carrying amount for *Mine under construction* was NOK 1.4 billion as of 31 December 2023
- In November the Company completed drawdown of the USD 50 million non-dilutive royalty instrument from OMFR (Zr) LLC, which is managed by the Orion Resource Partners Group. Subsequently the instrument was measured at amortized cost, reflected as a liability of NOK 517.6 million at year-end 2023.

Main events

- The Company continued construction of the Project in the fourth quarter with focus on concrete foundations for the underground crushing chamber and process plant buildings, and startup of mechanical installation for primary crushing and processing.
- No lost time injuries (LTI) have been registered at the Engebø Project site in the 4th quarter, ending the year 2023 and project to date with zero lost time injuries.
- The Company entered into a Memorandum of Understanding ("MoU") with a multinational minerals and metals company for a joint cooperation for exploration and development of a quartz deposit in the Kvinnherad municipality in Norway.
- During the year the Company completed the financing required to fully fund the Engebø Project, consisting of share issues with gross proceeds of NOK 1.0 billion and a USD 100 million 5-year secured bond (on Nordic ABM, ticker: ERUGA01 PRO) and a USD 50 million royalty financing agreement. The Company is focused on finalizing the remaining conditions precedent for the first bond escrow drawdown of USD 30 million during Q1 2024.

Engebø project development and economy

- The administration and workshop building are close to finalization and installation of interiors and office furniture will start in Q1-24 according to plan. At the end of the quarter, remaining work for administration building is related to surface work and startup of all technical installations.
- The SMPP ("Structural, Mechanical, Piping and Platework") EPC contractor, Nordic Bulk has in the quarter installed a significant part of the steel structure for the crushing station in the Comminution and Milling Plant and started installation of sumps and pumps along with building structure for the Wet plant.

- Fabrication of long lead mechanical packages are well underway. Several packages have reached the intermediate warehouse, and some are partly delivered to the project site at Engebø. The client provided items ("CPIs") are procured directly by the Company and handed over to the SMPP EPC for mechanical installation. The project sees increased risk on global logistics with potential delays of shipment from oversea fabrication locations to site. The project is continuously evaluating impact on construction schedule and potential pro-active and mitigative actions.
- Groundwork EPC contractor has started construction of water management infrastructure and sedimentation facilities according to the approved site wide waste management plan. Significant progress on buried services by installation of cable sleeves and piping in the process area has been achieved, while maintaining access for mechanical installation.
- The Engebø project cost has been impacted by contract and scope changes, inflation, salary increases, and the weak NOK compared to important currencies such as EUR and USD. Most project expenses are paid in NOK with all four EPC contracts denominated in NOK and owners' expenses in NOK. The weak NOK during 2023 has contributed to increased project costs compared to the initial estimates, while the USD 50 million royalty financing was drawn at a time when the NOK was weak compared to the USD and the Company was able to exchange at favorable exchange rates. Similarly, after the project starts deliveries to customers it will generate revenue in USD while most operating costs will be in NOK. The Company is continuously considering opportunities to hedge the currency exposure.
- The Company has historically presented the project economy in USD and the terms of the financing agreements are based on the project economy denominated in USD. The estimated project contingency and estimated project reserve are therefore dependent on the USDNOK exchange rate and will fluctuate with the USDNOK exchange rate. As of the date of this report, the project contingency is fully committed and the Company expects the Engebø project to require approximately USD 5 million of the project reserve of USD 30 million. The Company further expects to allocate the remaining project reserve to the subsidiary Engebø Rutile and Garnet AS ("ERG") to ensure its robustness and to meet the minimum liquidity requirement of USD 15 million as per the bond agreement.

Market development

- Although the titanium dioxide market is still reported to be slow, mainly due to the state of the real estate sector in Europe, China and the Americas, positive signals emerged towards the end of 2023, with improved sales volumes reported by TiO2 pigment producers.
- Two factors that could be supportive for European pigment production onwards:
 - The European Commission officially initiated an anti-dumping proceeding on imports of titanium dioxide from China into the European Union last November.
 - Increased freight rates and shipping challenges due to the Red Sea crisis for imported pigment into Europe.
- TiO2 feedstock producers are reporting sluggish demand but with a more positive outlook going into 2024.
- Stock inventories throughout the titanium pigment value chain are reported to be at low levels, especially with the pigment producers.
- The resilient Titanium metal demand stands in contrast and is fueled by the recovering aircraft industry.
- The garnet markets experienced a normal seasonal dip in both North America and Europe during the 4th quarter. Severe weather in the United States in December caused logistical challenges across the country and slowed demand accordingly. The economy in the USA continued to strengthen during the quarter but the conflicts in Ukraine and the Middle East impacted the European economy. Logistics costs for the European users of garnet are rising for products that are traditionally shipped through the Suez Canal.
- Nordic Mining has offtake agreements in place for the first five years of production on both rutile and garnet, covering up to the full production.

Financial performance in fourth quarter 2023¹

The Engebø Project is under construction and the Group has, so far, no sales revenues from operations. Reported operating loss for the fourth quarter was NOK -9.6 million (NOK -8.0 million) and NOK -46.5 million for the full year (NOK -45.9 million), with around NOK -6.1 million and NOK -27.2 million resulting from non-capitalizable pre-production operating costs related to the development and construction of the Engebø Project, respectively.

Net financial items were NOK 28.9 million in the fourth quarter and NOK 0.4 million for the full year (NOK 248.3 million), with the main financial items in the fourth quarter being net gain on foreign exchange related to the bond loan, bond Escrow and royalty liability of NOK 29.7 million, other foreign exchange loss of NOK 5.4 million, interest on cash held of NOK 5.1 million and transaction costs from financing of NOK -0.4 million. Please see note 8 for further information. Borrowing costs on bond loan, net of interest on bond Escrow, following satisfaction of financing conditions in March 2023 and borrowing costs on the royalty liability has been capitalized under *Mine under construction*, in total NOK 36.9 million in the fourth quarter and NOK 92.6 million for the full year.

Reported net profit in the fourth quarter was NOK 19.3 million and net loss of NOK -46.1 million for the full year, compared to a net profit of NOK 202.4 million for the full year 2022 driven by realized gain on sold stake in the Finnish lithium project Keliber Oy of NOK 283.8 million.

In the fourth quarter, the Group has capitalized NOK 322.1 million in the balance sheet under *Mine under construction* direct costs related to the construction work at Engebø, up from NOK 266.1 million in the third quarter, resulting from increased activity compared to the previous quarter. Nordic Mining's consolidated carrying amount for *Mine under construction* was NOK 1.4 billion as of 31 December 2023 (Third quarter 2023: NOK 1.1 billion).

Net cash outflow from operating activities for the full year was NOK -41.0 million as compared to NOK -48.8 million in 2022. Net cash flow from the Group's investment activities related to investment in *Mine under construction* for the full year was NOK -885.1 million (NOK -233.7 million). Interest on the bond loan for the fourth quarterly interest rate period of USD 3.1 million (corresponding to NOK 34.9 million) is included in interest and financing fees paid. Please see note 6 for further information related to the bond Escrow account. In March 2023, the Group finalized the remaining part of the project financing for the Engebø Project in a private placement with gross proceeds of NOK 940 million followed up by a subsequent offering with gross proceeds of NOK 81.9 million, and in November 2023 the Group completed the drawdown of NOK 536.8 million under the Royalty Agreement resulting in net cash flow from financing activities for the full year of in total NOK 1.4 billion (NOK -62.5 million) after payment transaction costs related to the share issues of NOK -41.5 million and interest and other financing fees of NOK -112.4 million.

The Group's cash and cash equivalents as of 31 December 2023 was NOK 635.0 million (Third quarter 2023: NOK 362.8 million). In addition, the Group had NOK 1.1 billion on restricted Escrow account for bond and NOK 8.4 million on restricted account pledged toward Directorate of Mining ("DirMin") for clean-up measures in accordance with the operating license. Please see note 6 for further information.

Nordic Mining's total assets as of 31 December 2023 was NOK 3.1 billion (31 December 2022: NOK 1.5 billion), and total equity was NOK 1.5 billion (31 December 2022: NOK 454.5 million).

For further information relating to the Company's risk assessments, reference is made to the annual report for 2022 which is available on the Company's webpage www.nordicmining.com.

Oslo, 5 February 2024
The Board of Directors of Nordic Mining ASA

¹ Unless other information is given, numbers in brackets for comparison relate to the corresponding period in 2022.

CONSOLIDATED INCOME STATEMENT

		2023	2022	2023	2022
		01.10-31.12	01.10-31.12	01.01-31.12	01.01-31.12
<i>(Amounts in NOK thousands)</i>	Note	Unaudited	Unaudited	Unaudited	Audited
Other income		-	-	-	-
Payroll and related costs		(2 921)	(2 909)	(15 082)	(11 650)
Depreciation and amortization		(108)	(64)	(346)	(164)
Other operating expenses		(6 609)	(5 004)	(31 041)	(34 106)
Operating profit/(loss)		(9 638)	(7 977)	(46 469)	(45 920)
Fair value gains/losses on investments		-	-	-	283 844
Fair value gains/losses on convertible loan	4	-	408	3 354	(10 476)
Net exchange rate gain/loss (-)	8	24 190	(12 014)	25 911	9 590
Financial income	8	5 072	7 135	26 099	7 370
Financial costs	8	(372)	(28 310)	(55 002)	(41 996)
Profit/(loss) before tax		19 252	(40 758)	(46 107)	202 412
Income tax		-	-	-	-
Profit/(loss) for the period		19 252	(40 758)	(46 107)	202 412
Earnings per share					
<i>(Amounts in NOK)</i>					
Basic earnings per share		0.01	(0.18)	(0.03)	0.88
Diluted earnings per share		0.01	(0.18)	(0.03)	0.75

STATEMENTS OF COMPREHENSIVE INCOME

	2023	2022	2023	2022
	01.10-31.12	01.10-31.12	01.01-31.12	01.01-31.12
<i>(Amounts in NOK thousands)</i>	Unaudited	Unaudited	Unaudited	Audited
Net profit/(loss) for the period	19 252	(40 758)	(46 107)	202 412
Other comprehensive income: <i>Items that will not be reclassified subsequently to profit or loss:</i>				
Changes in pension estimates	536	(1 009)	536	(1 009)
Other comprehensive income directly against equity	536	(1 009)	536	(1 009)
Total comprehensive income/(loss) for the period	19 788	(41 767)	(45 571)	201 403

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31.12.2023	31.12.2022
<i>(Amounts in NOK thousands)</i>		Unaudited	Audited
	Note		
ASSETS			
Non-current assets			
Mine under construction	3	1 377 083	288 410
Property, plant and equipment		3 062	1 090
Right-of-use assets		1 025	106
Total non-current assets		1 381 170	289 606
Current assets			
Trade and other receivables		30 561	23 297
Bond Escrow	6	1 075 042	1 032 597
Restricted cash		8 430	4 215
Cash and cash equivalents		634 984	164 703
Total current assets		1 749 017	1 224 812
Total assets		3 130 187	1 514 418
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	5	1 300 938	139 390
Share premium		277 928	319 430
Other paid-in capital		16 038	16 038
Retained earnings/(losses)		(62 243)	(16 135)
Other comprehensive income/(loss)		(3 696)	(4 232)
Total equity		1 528 965	454 491
Non-current liabilities			
Lease liabilities		466	-
Bond loan	6	902 182	-
Royalty liability	7	517 574	-
Pension liabilities		219	1 812
Total non-current liabilities		1 420 441	1 812
Current liabilities			
Trade payables		94 312	37 168
Bond loan	6	-	850 825
Convertible loan	4	-	142 976
Other current liabilities		86 468	27 146
Total current liabilities		180 780	1 058 115
Total liabilities		1 601 221	1 059 927
Total shareholders' equity and liabilities		3 130 187	1 514 418

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited

Attributed to equity holders of the parent							
(Amounts in NOK thousands)	Note	Share capital	Share premium	Other-paid-in capital	Other comprehensive income/(loss)	Accumulated losses	Total equity
Equity 1 January 2022		137 695	313 699	16 038	(3 223)	(218 547)	245 662
Profit/(loss) for the period		-	-	-	-	202 412	202 412
Other comprehensive income		-	-	-	(1 009)	-	(1 009)
Total comprehensive income		-	-	-	(1 009)	202 412	201 403
Share issue		1 695	5 731	-	-	-	7 426
Equity 31 December 2022		139 390	319 430	16 038	(4 232)	(16 135)	454 491
Equity 1 January 2023		139 390	319 430	16 038	(4 232)	(16 135)	454 491
Profit/(loss) for the period		-	-	-	-	(46 107)	(46 107)
Other comprehensive income		-	-	-	536	-	536
Total comprehensive income		-	-	-	536	(46 107)	(45 571)
Share issue	4,5	1 161 548	(0)	-	-	-	1 161 548
Transaction costs		-	(41 501)	-	-	-	(41 501)
Equity 31 December 2023		1 300 938	277 928	16 038	(3 696)	(62 243)	1 528 965

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		2023	2022
		01.01-31.12	01.01-31.12
<i>(Amounts in NOK thousands)</i>	Note	Unaudited	Audited
Operating activities:			
Net cash used in operating activities		(40 990)	(48 826)
Investing activities:			
Investment in mine under construction		(885 096)	(233 733)
Acquisition of property, plant and equipment		(2 628)	(921)
Proceeds from sale of financial investments		-	474 363
Sale of property, plant and equipment		359	-
Net cash used in investing activities		(887 365)	239 709
Financing activities:			
Share issuance	4,5	1 021 926	7 426
Transaction costs, share issue		(41 501)	-
Gross proceeds from borrowings, Convertible loan	4	-	132 500
Transaction costs, Convertible loan		-	(6 089)
Transfer to/from Bond Escrow	6	0	(178 782)
Net proceeds from royalty financing	7	536 820	-
Interest and financing fees paid		(112 380)	(17 440)
Payment of lease liabilities		(439)	(151)
Net cash from financing activities		1 404 426	(62 536)
Net change in cash and cash equivalents		476 072	128 347
Cash and cash equivalents at beginning of period		164 703	32 086
Effect of exchange rate fluctuation on cash held		(5 791)	4 269
Cash and cash equivalents at end of period		634 984	164 703
Net change in restricted cash		4 215	4 215
Restricted cash at beginning of period		4 215	-
Restricted cash at end of period		8 430	4 215
Restricted and unrestricted cash at end of period		643 414	168 918

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 December 2023

Note 1 – ACCOUNTING PRINCIPLES

These interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". They do not include all the information required for full annual financial reporting and should be read in conjunction with the consolidated financial statements of Nordic Mining ASA and the Group for the year ended 31 December 2022.

This report was authorized for issue by the Board of Directors on 5 February 2024.

The accounting policies adopted are consistent with those followed in the preparation of the Company's and the Group's annual financial statements for the year ended 31 December 2022. New standards, amendments and interpretations to existing standards effective from 1 January 2023 did not have any significant impact on the financial statements.

The royalty liability is amortized at the effective interest rate, and the difference between the drawdown received net of transaction costs and the royalty payments will be recognized as financial cost in the income statement, over the period for the expected royalty payments. At each reporting period, modifications to production plans and price expectations are evaluated, and when required, a modification gain/loss is recognized. Estimated royalty payments due within 12 months will be classified as current liabilities.

Note 2 – 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.

For further information relating to the Company's risk assessments, reference is made to the annual report for 2022 which is available on the Company's webpage www.nordicmining.com.

Note 3 - MINE UNDER CONSTRUCTION

In April 2022 Nordic Mining, through its wholly owned subsidiary Engebø Rutile and Garnet AS (former Nordic Rutile AS), exercised the agreements with landowners to acquire the main properties at Engebø, which includes immediate access to the process plant area. The Group is in construction of the Engebø Project, which work includes continuation of Detail Engineering of the process plant, procurement and fabrication of critical process equipment, groundwork on the mine access road and ground – and building works on the process plant area, tunnel work and raise drilling of the vertical ore pass.

The direct costs related to the work described above has in 2023 been capitalized in the balance sheet as *Mine under construction*.

Note 4 - CONVERTIBLE LOAN

In January 2022, Nordic Mining entered into a NOK 132.5 million 5% interest bearing convertible loan in favor of Fjordavegen Holding AS, a local investor group led by two of the EPC partners for the Engebø Project.

In March 2023, Nordic Mining completed a private placement of 1,566,666,667 new shares at a subscription price per new share of NOK 0.60 with gross proceeds of NOK 940 million. The convertible loan was converted as a consequence of the private placement. The convertible loan with accrued interests, in total NOK 139,621,875, was converted at the same subscription price as in the private placement, i.e. NOK 0.60 per share. Fjordavegen Holding received 232,703,125 new shares in the company at a subscription price per share of NOK 0.60.

The Group recognized a fair value gain on the convertible loan up to the conversion in Q1-2023 of NOK 3.4 million.

Note 5 - SHARE CAPITAL

Following registration of the new shares from the private placement in Q1 2023, the conversion of the convertible loan in Q1-2023 as described in note 4, and the new shares from the subsequent offering in Q2 2023, Nordic Mining's share capital has increased by NOK 1,161,548,330 to NOK 1,300,938,393.40 divided into 2,168,230,655 shares, each with a par value of NOK 0.60.

Note 6 - BOND LOAN AND BOND ESCROW

In November 2022 Nordic Mining ASA's wholly owned subsidiary Engebø Rutile and Garnet AS completed the issue of a USD 100 million 5-year senior secured bond. The bonds are administered by Nordic Trustee. The bond has fixed coupon of 12.5% per annum, with interest payable quarterly in arrears, and an issue price of 90%. The bond is listed on Nordic ABM with ticker: ERUGA01 PRO.

The net proceeds of the bonds of USD 90 million was on issue deposited into a Bond Escrow account, together with issue discount of USD 10 million, four months bond interest of USD 4.2 million, and transaction costs of USD 3.3 million, transferred by Engebø Rutile and Garnet AS in line with the bond terms. Following conditions of the Engebø Project being fully funded, which were satisfied on 8 March 2023, the bonds are reclassified to non-current liability in the statement of financial position. The proceeds from the bond will be released in three tranches from the Bond Escrow account after satisfaction of certain pre-disbursement conditions precedent, to be used for costs and expenditures to bring the Engebø Project into commercial production.

Note 7 – ROYALTY LIABILITY

In November 2023 Nordic Mining ASA wholly owned subsidiary Engebø Rutile and Garnet AS has completed drawdown of the USD 50 million non-dilutive royalty instrument from OMRF (Zr) LLC which is managed by the Orion Resource Partners Group ("Orion"). The future royalty payments under the royalty agreement equal to 11% of gross revenue from the Engebø Project.

The royalty liability is initially recognized at the USD 50 million drawdown received net of directly attributable transaction costs at drawdown. After initial recognition the liability under the royalty agreement is subsequently measured at amortized cost using the effective interest method.

Amortized cost is recognized as borrowing cost and capitalized under *Mine under construction* until construction is completed, in total NOK 12.3 million in the fourth quarter.

Note 8 - NET EXCHANGE RATE GAIN/LOSS (-), FINANCIAL INCOME AND FINANCIAL COSTS

Exchange rate gains and losses have in previous periods before Q3-23 been classified under financial income and financial costs. From Q3-23 onwards, the Group has classified exchange rate gains and losses on a separate line item in the income statement; Net exchange rate gain/loss (-). The income statements from previous periods are reclassified accordingly.

2023

Net exchange rate gain/loss (-) in the fourth quarter and FY 2023 consists mainly of:

- foreign exchange loss of NOK -46.9 million on bond Escrow in USD (FY 2023: gain NOK 30.9 million);
- foreign exchange gain of NOK 45.0 million on the USD bond loan (FY 2023: loss NOK -31.5 million), and;
- foreign exchange gain of NOK 31.6 million on the USD royalty liability (FY 2023: gain NOK 31.6 million), and;
- other foreign exchange loss of NOK -5.4 million (FY 2023: loss NOK -5.0 million).

Financial income in the fourth quarter and FY 2023 consists mainly of:

- interest on cash held and bond Escrow of NOK 5.1 million (FY 2023: NOK 26.1 million).

Financial costs in the fourth quarter and FY 2023 consists mainly of:

- interest and transaction costs on bond loan and royalty liability of NOK 0.0 million as borrowing costs has been capitalized to *Mine under construction* (FY 2023: NOK 30.1 million), and;
- transaction costs from financing of NOK 0.3 million (FY 2023: NOK 24.8 million).

2022

Net exchange rate gain/loss (-) in the fourth quarter of 2022 and FY 2022 consists mainly of:

- foreign exchange loss of NOK -46.1 million on bond Escrow in USD (FY 2022: loss NOK -46.1 million);
- foreign exchange gain of NOK 39.5 million on the USD bond loan (FY 2022: gain NOK 39.5 million), and;
- foreign exchange loss from consideration received in EUR in connection with the sale of Keliber Oy of NOK -5.7 million (YTD 2022: gain NOK 16.1 million).

Financial income in the fourth quarter of 2022 and FY 2022 consists mainly of:

- interest on cash held and bond Escrow of NOK 7.1 million (FY 2022: NOK 7.3 million).

Financial costs in the fourth quarter of 2022 and FY 2022 consists mainly of:

- interest costs on bond loan of NOK 17.5 million (FY 2022: NOK 17.5 million), and;
- transaction costs from financing of NOK 10.8 million (FY 2022: NOK 24.4 million).

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. 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