



**MINERALS FOR A
SUSTAINABLE FUTURE**



**NORDIC
MINING**

Q4 2024 Interim presentation
February 11th, 2025



SAFETY | ENVIRONMENT | INNOVATION

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1. Introduction

2. Engebø Rutile and Garnet

3. Kvinnherad Quartz

4. Financial update Q4-2024

5. Q & A



Highlights



Safety & ESG

- *No Lost Time Injuries (LTI) in the 4th quarter*
- *Engerbø construction completed without LTIs*
- *Overall safety management transferred to NM*



Production Ramp-up

- *First mineral concentrate produced in Q4*
- *Adjustment of process and operations learning ongoing*
- *First shipment targeted for Q1 2025*



Organization

- *New CEO to commence on March 1st, onboarding started*
- *Corporate staff strengthened*
- *Engerbø organization fully operational*



Finance

- *Cash position of NOK 467 million (group)*
- *NOK 2.75 billion invested in Engerbø*
- *Fully funded until positive cash flow*

Health and safety in focus

- Engebø construction phase completed to date without lost time injuries reported by the EPCs.
- Minor incident 7th January in relation to testing of drying machines in the Engebø dry plant. No injuries and limited equipment damage due to the incident, which was restricted to filter bags that sparked flames and smoke.
- HSE will be focused and reported at group level going forward on all production and project related activities.



More than

400 000 working hours

**completed at site without reports of LTIs
by the EPCs**

1. Introduction
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Construction phase completed

- The main construction activities at Engebø were completed during the fourth quarter. Only minor balance of plant items remains to be complete.
- Remaining activities have no impact to the ramp-up.
- A small project team will focus on verification of as-built drawings and documentation from EPCs and process equipment suppliers.
- The team has established punch lists that are followed up towards the contractors.
- The final documentation requirements according to the Planning and Building Act are being prepared by the various responsible companies in accordance with the different building applications.
- While ramping up the plant and closing out the balance of plant, the coordinating responsibility for HSE is transferred from the main EPC to the operating departments.











Mining operations supporting process plant ramp-up



Mining activities are ramped up

- Mining activities with all primary machinery at site and staff onboarded.
- Waste rock deposit in operation according to permit.
- Ore feed to plant according to requirement from process plant ramp-up.



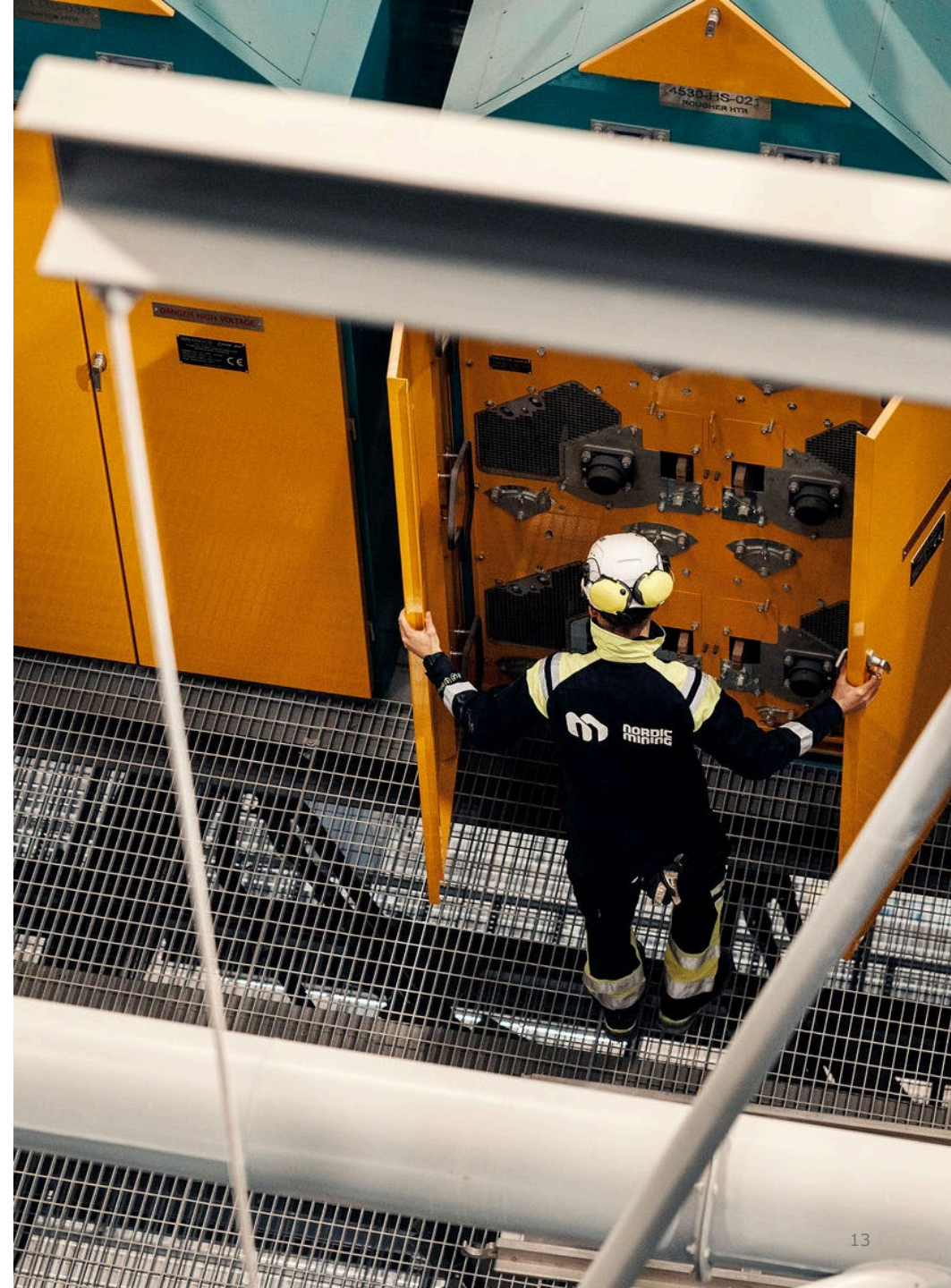
Process plant producing final concentrates

- The various stages of the process plant are running separately to monitor, adjust and control the process equipment.
- Mineral concentrates are produced and stored in the product silos as the process plant is ramping up.



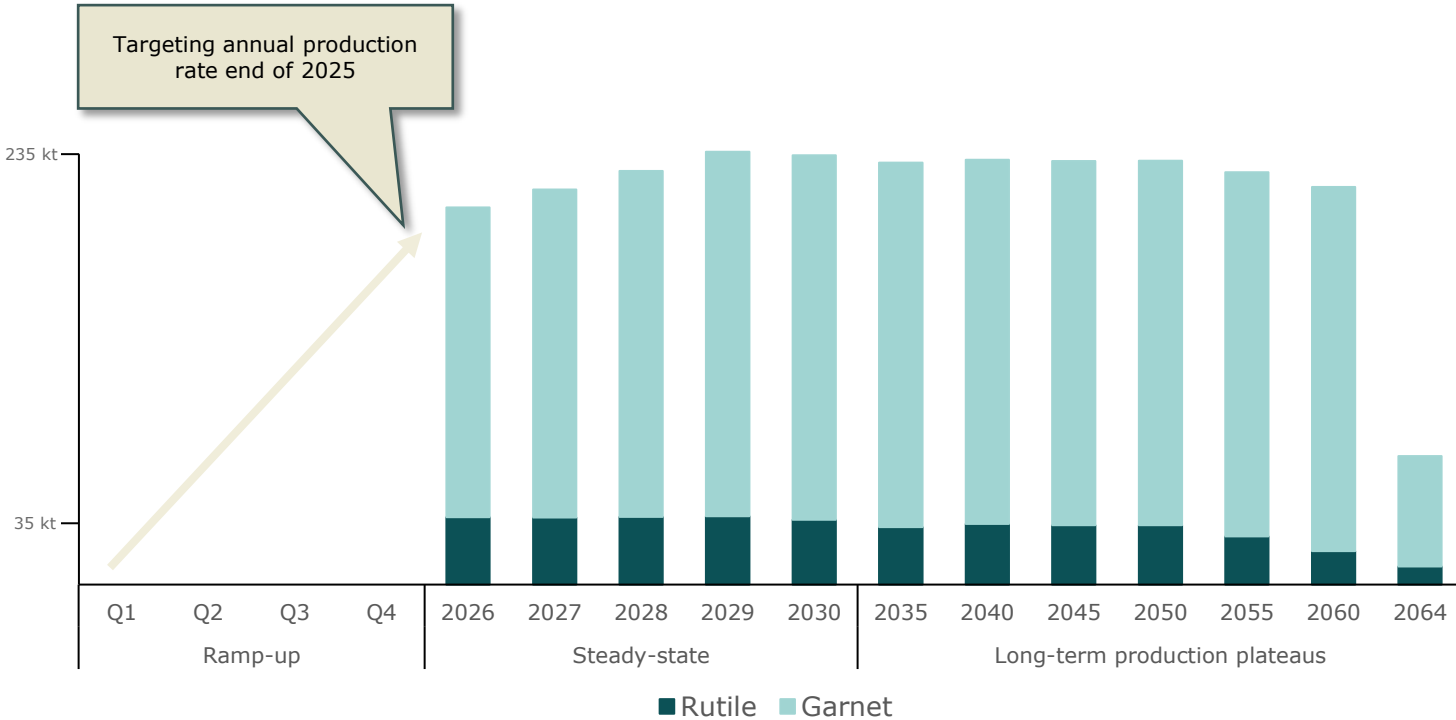
Significant learning curve for the operations team

- The company did not achieve all goals set for January 2025. Defects became visible as capacity was increased during ramp-up.
- The unforeseen challenges have been resolved and effects included in adjusted plan going forward.
- We are in a phase with uncertainty, where process equipment has increasing load and extended operating hours.



Production to ramp-up during 2025

Mineral production volumes



- Production is ramping up over the next quarters.
- Focus on maintaining quality of the mineral concentrates.
- Updated ramp-up plans defers revenue streams compared to original plans by approximately one quarter.
- Targeting first shipment of garnet in first quarter and first shipment of rutile in second quarter.
- Targeting design operating rates and stable operation in 2025.
- Long term production levels remain unchanged.

Cautious market outlook for 2025

Ti metal

- The demand for aircraft worldwide is strong and is growing resulting in steady demand for titanium sponge.
- Titanium sponge producers are reporting production levels at full capacity.

TiO₂ Pigment

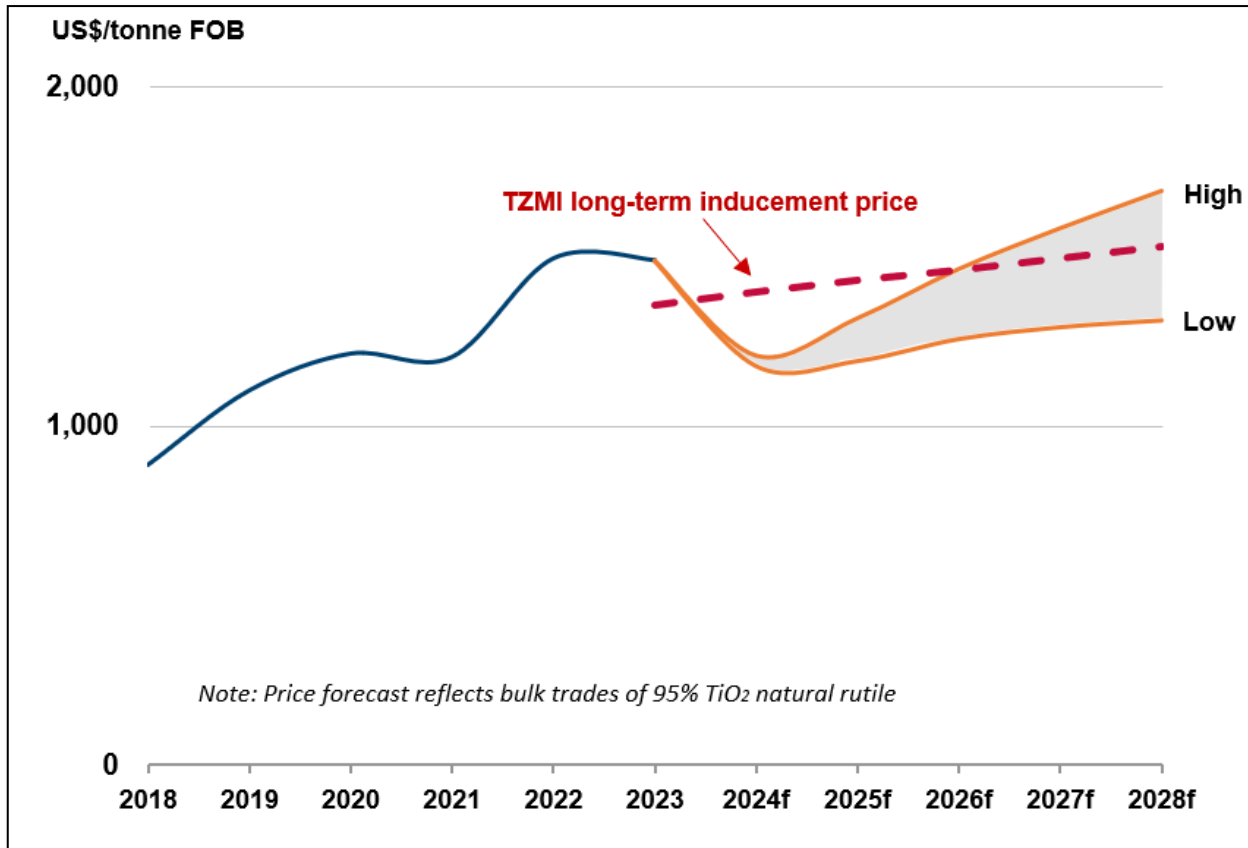
- Declining pigment market in Q4
 - conflicts in Ukraine and the Middle East
 - usual seasonal effect in the Northern Hemisphere
- Implementation of definitive tariffs for Chinese TiO₂ pigment into EU.
- Tariffs will support operating rates for Western pigment producers
 - reducing the price competitiveness of Chinese imports
 - resulting in higher demand prospects for titanium feedstocks in the West going into 2025
- The new US administration measurements could impact trade flows and result in higher costs and ultimately affecting demand.

Garnet

- Industrial markets in both North American and Europe struggled in Q4
 - reflected slower demand for industrial abrasives including garnet
 - continued into January but early indications that demand will improve over the course of 2025.
- Nordic and Barton poised to make an entrance into the European market in the first half of 2025.



Rutile prices start to recover in 2025



Rutile:

- As from Q3 2023, rutile prices have been weakening due to the weakness in the pigment segment.
- Rutile prices seem to have stabilized and are expected to strengthen in 2025, driven by the improved market conditions in the pigment and metal sectors.
- Two rutile offtake agreements covering up to full production volume for the first five years.
- Price is based on market price mechanisms using global, independent consulting and publishing company TZ Minerals International Pty Ltd.

Garnet:

- Offtake agreement with marketing partner BARTON group.
- Volume and prices are fixed for the first five years.

1. Introduction
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- 3. Kvinnherad Quartz**
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Promising results from preliminary test work



Transport of equipment



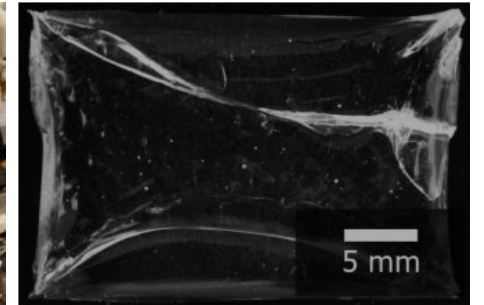
Drilling & Blasting



Loading for transport



Processing - Washing



Melting test - Clear quartz sample



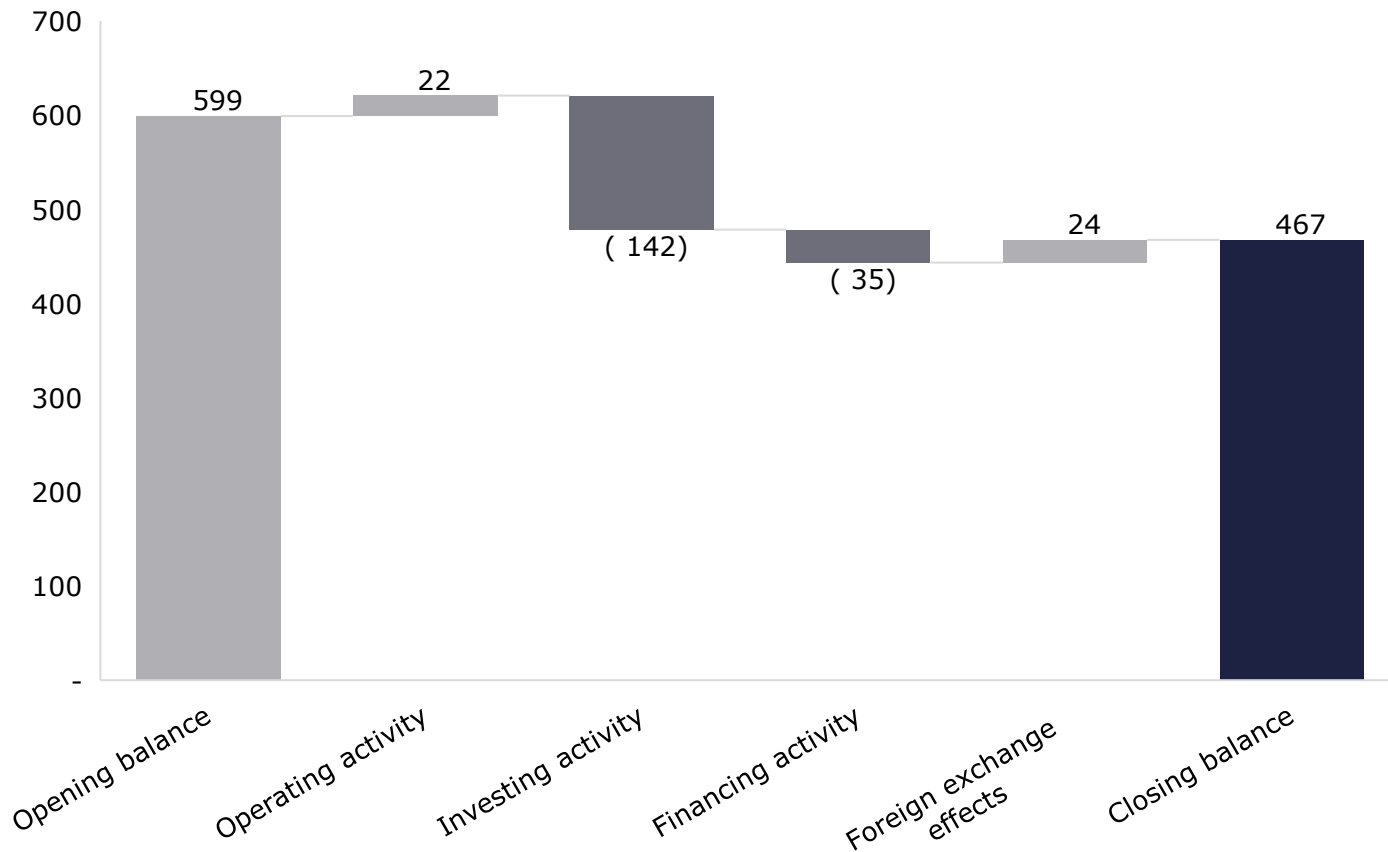
- Fieldwork successfully completed in November extracting 10 tons of ore for processing test work, which includes analysis of quality variations, bulk sample tests, and production of product samples.
- Results from variability test work confirms comparable results with earlier analysis. Low amounts of impurities, melting behavior fit for industrial use, clear quartz product and few bubble formations.
- Work in progress involves bulk sample processing. Product samples will be used for industrial testing, which will be an important milestone to assure product validity and mitigate risks moving forward.

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5. Q & A



Entering 2025 with solid cash position

Cash flow in the quarter (mNOK)



- NOK 142 million from investing activity and NOK 35 million interest payment on USD 100 million bond.
- Positive operating activity due to reimbursement of VAT in the quarter.
- Cash effect on foreign exchange on USD denominated accounts of NOK 24 million.
- Remaining CAPEX of approximately NOK 100 million in the Engebø project.
- Fully funded until positive cash flow, but due to deferred revenues the cash low-point will be lower than the previously expected project reserves of USD 25 million.

Financial results impacted by currency fluctuation

Group level Profit and Loss (mNOK)

	Q4 2024	Q3 2024	FY 2024	FY 2023
Revenue	-	-	-	-
Payroll and related costs	(3.9)	(2.6)	(11.1)	(15.1)
Depreciation and amortization	(1.5)	(0.7)	(2.7)	(0.3)
Other operating expenses	(21.5)	(11.5)	(40.8)	(31.0)
Operating profit/(loss)	(26.9)	(14.8)	(54.6)	(46.5)
Fair value gains/losses on convertible loan	-	-	-	3.4
Net exchange rate gain/loss (-)	(119.8)	20.2	(127.1)	25.9
Financial income	53.3	5.1	69.8	26.1
Financial costs	(1.1)	(0.4)	(3.1)	(55.0)
Profit/(loss) before tax	(94.5)	10.0	(115.0)	(46.1)
Income tax	-	-	-	-
Profit/(loss) for the period	(94.5)	10.0	(115.0)	(46.1)

- Loss on foreign exchange related to the bond and the royalty liability of NOK 135 million.
- Other foreign exchange gain related to bank accounts of NOK 15 million.
- Revised price estimate on Rutile (TiO₂) effects future cash flows related to the royalty agreement and NOK 48 million has been recognized as financial income in the quarter.
- Quartz project in Kvinnherad financed over P&L – total investment approximately NOK 10 million in 2024 and 2025.

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Appendix

Consolidated statement of financial position

<i>NOK million</i>	Q4 2024	Q3 2024	2023
Mine under construction	2 654	2 516	1 377
Property, plant and equipment	97	80	3
Right-of-use assets	1	1	1
Total non-current assets	2 752	2 597	1 381
Trade and other receivables	28	71	31
Spare parts inventory	10	4	0
Bond Escrow	0	0	1 075
Restricted cash	13	13	8
Cash and cash equivalents	455	586	635
Total current assets	505	675	1 749
TOTAL ASSETS	3 257	3 271	3 130
Total equity	1 413	1 507	1 529
Lease liabilities	0	0	0
Bond loan	1 044	953	902
Royalty liability	600	614	518
Pension liabilities	0	0	0
Total non-current liabilities	1 644	1 567	1 420
Trade payables	44	46	94
Other current liabilities	157	150	86
Total current liabilities	201	197	181
Total liabilities	1 845	1 764	1 601
TOTAL EQUITY AND LIABILITIES	3 257	3 271	3 130

- Engebø construction works of NOK 139 million capitalized on balance sheet in Q4 2024, down from NOK 278 million in Q3 2024.
- The combined carrying amount of Mine under construction and PPE as of Q4 of NOK 2.75 billion.
- Cash balance of NOK 455 million, of which NOK 362 million in Engebø Rutile and Garnet AS.
- 2025 estimated royalty payments have been reclassified to other current liabilities.
- Bond loan and royalty liability measured at amortized cost using the effective interest method.