

INTERIM REPORT

Per 31 March 2025



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 Oslo Stock Exchange.

Group interim report for the quarter ended 31 March 2025

Nordic Mining ASA is a Norwegian mining and minerals company incorporated in Oslo, Norway. The Company is ramping up production from one of the worlds' largest resources of natural rutile in a dual mineral project ("Engebø" or the "Engebø Project"). Nordic Mining is committed to delivering 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 both existing producers and other projects under development. Furthermore, the deposit contains significant quantities of high-quality garnet. The Engebø life of mine is 39 years, comprising 15 years of open pit mining followed by 24 years of underground mining. A favorable location, topography and local hydropower contribute to efficient and climate friendly production of high-quality natural rutile and garnet.

Main events

- The Company recorded one Lost Time Injury (LTI) related to production at the Engebø plant.
- The first steady state production of garnet to final mineral product storage silo at Engebø.
- A total of 571.754 tonnes of rock, including both ore and waste, were drilled, blasted, and hauled from the open pit at Engebø during the first quarter.
- The Company reported NOK 80.1 million in capitalized cost related to the Engebø project in the first quarter. The Company's consolidated carrying amount for the Producing mine, Property Plant and Equipment and Intangible Assets was NOK 2.8 billion as of 31 March 2025. As of 1 February, the carrying amount in the balance sheet of Mine under construction has been reclassified to Producing Mine, Property, Plant and Equipment and Intangible Assets.
- In March, Engebø Rutile and Garnet AS completed a tap issue of the existing high yield bond by USD 33 million to strengthen liquidity and to be able to continue the progress of the production ramp-up efficiently until cash flow positive.

Engebø project development and economy

During the quarter, Nordic Mining produced garnet according to our customer's quality requirements but at low volumes. Nordic Mining did not achieve the internal ramp-up goal as set out in first quarter due to design issues in the pump circuits. A remedial solution was installed by the responsible contractor in March, but without the expected effect. An external party was contracted to review the slurry pump circuits based on the "as built" solution. Several modifications were identified for the plant to operate at design capacity. Rutile production was put on hold pending the rectification of the slurry pump issue. In total, 90 tons of garnet was produced during the quarter.

The prioritized pumps have been modified in May, and their early performance is in accordance with expectations and the plant design requirements. The remaining pumps will be modified on an ongoing basis with completion during planned downtime for maintenance and modifications in July. Ramp-up of rutile production is scheduled to begin by the end of May.

The first commercial shipment of 569 tons of garnet was dispatched from Engebø on 12 May destined for the Barton Group's Rotterdam facility. For the commercial partnership with The Barton

Group, the cargo was an important test of the entire logistics chain from the mine to the end-customer.

The production ramp-up is a highly complex and demanding process. Although we take a proactive approach to the ramp up, unforeseen challenges may occur. Nordic Mining has mandated the external party contracted to review the slurry pump circuit to also review all the other parts of the plant with a view to uncover any other risks. Preliminary feedback indicates no significant findings that would cause any additional delays to the ramp-up. Nordic Mining remains committed to reaching steady production at design capacity for both rutile and garnet by the end of 2025.

Market development

After experiencing price volatility in previous years, the titanium dioxide (TiO₂) price began to stabilize at the end of 2024. In Q1 2025, the TiO₂ market was characterized by price reductions in January, followed by price increases in February and March across most regions. The titanium market is driven by an increased demand from industries such as aircraft and defense.

The garnet abrasives market is experiencing growth driven by an increasing number of applications in sectors such as aerospace, automotive, and construction as well as the rising demand for precision cutting and high-quality surface finishing. Growth is also being fueled by advancements in technology.

The global market for minerals is influenced by a range of economic, geopolitical, and regulatory factors, and the market faces significant uncertainty, particularly regarding future trade policies and tariffs. The Company is paying close attention to the development and is keeping a close dialogue with our suppliers and customers.

Financial performance in the first quarter 2025¹⁾

The Engebø Project is currently in production ramp-up and the Company has, so far, no sales revenues from operations. Reported operating loss for the first quarter was NOK -78.1 million (NOK -0.1 million).

Net financial items were NOK 100.1 million in the first quarter (NOK -40.7 million). The main financial items in the first quarter were net gain on foreign exchange related to the bond loan and royalty liability of NOK 130.7 million, other foreign exchange loss of NOK -15.5 million, interest on cash held of NOK 4.6 million, change in estimate of royalty liability of NOK 29.5 million, interest cost on bond loan of NOK -29.4 million and amortized cost of royalty liability of NOK -19.7 million. Please see note 8 for further information. Borrowing costs on the bond loan and the royalty liability have been capitalized under *Mine under construction* until commencement of production in Q1 2025, in total NOK 24.1 million in the first quarter.

Reported net profit in the first quarter was NOK 22.0 million (NOK -40.8 million).

As of February, the facility was considered completed from an accounting perspective and depreciation commenced. The carrying amount on the balance sheet of *Mine under construction* was reclassified as *Producing mine, Property, plant and equipment* and *Intangible Assets* and depreciation commenced. Previously, direct costs related to the construction work at Engebø have been capitalized as *Mine under construction*. The Group's carrying amount for *Producing mine, Property, plant and equipment* and *Intangible assets* was NOK 2.8 billion as of 31 March 2025.

Net cash flow from operating activities for the first quarter was NOK -24.7 million (NOK 0.7 million). Net cash flow from the Group's investment activities related to *Investment in producing mine, property, plant and equipment* and *intangible assets* for the first quarter was NOK -110.0 million (CF from *Investment in Mine under construction* per Q1 2024: NOK -365 million). Interest on the bond loan for the first quarterly interest rate period of USD 3.4 million (corresponding to NOK 35.6

million) is included in interest and financing fees paid. Please see note 6 for further information related to the bond loan. In March 2025, the bond loan was increased by USD 33 million, priced at 101.00% of par, resulting in a net cash flow from financing activities of in total NOK 313.3 million (NOK 277.8 million).

The Group's cash and cash equivalents as of 31 March 2025 were NOK 617.4 million (Fourth quarter 2024: NOK 454.8 million). In addition, the Group had NOK 16.9 million in a restricted account pledged toward Directorate of Mining ("DirMin") for clean-up measures in accordance with the operating license and NOK 2 million in a restricted account pledged toward the Norwegian Environment Agency.

Nordic Mining's total assets as of 31 March 2025 were NOK 3.5 billion (31 December 2024: NOK 3.3 billion), and total equity was NOK 1.4 billion (31 December 2024: NOK 1.4 billion).

For further information relating to the Company's risk assessments, reference is made to the annual report for 2024 which is available on the Company's webpage www.nordicmining.com.

Oslo, 20 May 2025

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 2024.

CONSOLIDATED INCOME STATEMENT

		2025	2024	2024
		01.01-31.03	01.01-31.03	01.01-31.12
<i>(Amounts in NOK thousands)</i>	Note	Unaudited	Unaudited	Audited
Payroll and related costs		(7 647)	(2 782)	(11 126)
Depreciation and amortization		(19 783)	(131)	(2 726)
Production expenses		(35 496)	-	-
Other operating expenses		(15 164)	2 836	(40 753)
Operating profit/(loss)		(78 089)	(77)	(54 605)
Net exchange rate gain/loss (-)	8	115 215	(46 311)	(127 106)
Financial income	8	34 112	6 774	69 806
Financial costs	8	(49 241)	(1 150)	(3 115)
Profit/(loss) before tax		21 997	(40 764)	(115 020)
Income tax		-	-	-
Profit/(loss) for the period		21 997	(40 764)	(115 020)
Earnings per share				
<i>(Amounts in NOK)</i>				
Basic earnings per share		0,20	(0,38)	(1,06)
Diluted earnings per share		0,20	(0,38)	(1,06)

STATEMENTS OF COMPREHENSIVE INCOME

	2025	2024	2024
	01.01-31.03	01.01-31.03	01.01-31.12
<i>(Amounts in NOK thousands)</i>	Unaudited	Unaudited	Audited
Net profit/(loss) for the period	21 997	(40 764)	(115 020)
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Changes in pension estimates, net of tax	-	-	317
Other comprehensive income directly against equity	-	-	317
Total comprehensive income/(loss) for the period	21 997	(40 764)	(114 703)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31.03.2025	31.12.2024
(Amounts in NOK thousands)	Note	Unaudited	Audited
ASSETS			
Non-current assets			
Mine under construction	3	-	2 654 418
Producing mine	4	433 104	-
Property, plant and equipment	4	2 358 607	97 171
Intangible assets	4	20 331	-
Right-of-use assets		573	663
Pension assets		65	111
Total non-current assets		2 812 679	2 752 363
Current assets			
Trade and other receivables		38 309	27 704
Spare parts and inventory	5	14 211	10 011
Restricted cash		18 860	12 645
Cash and cash equivalents		617 352	454 774
Total current assets		688 732	505 134
Total assets		3 501 410	3 257 497
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		1 300 938	1 300 938
Share premium		276 410	276 410
Other paid-in capital		16 038	16 038
Retained earnings/(losses)		(155 266)	(177 263)
Other comprehensive income/(loss)		(3 379)	(3 379)
Total equity		1 434 742	1 412 744
Non-current liabilities			
Lease liabilities		126	194
Bond loan	6	1 315 422	1 043 609
Royalty liability	7	570 150	599 798
Total non-current liabilities		1 885 698	1 643 601
Current liabilities			
Trade payables		44 416	44 394
Other current liabilities		136 555	156 757
Total current liabilities		180 970	201 151
Total liabilities		2 066 669	1 844 752
Total shareholders' equity and liabilities		3 501 410	3 257 497

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited

<i>(Amounts in NOK thousands)</i>	Note	Share capital	Share premium	Other-paid-in capital	Other comprehensive income/(loss)	Accumulated losses	Total equity
Equity 1 January 2024		1 300 938	277 928	16 038	(3 696)	(62 243)	1 528 965
Profit/(loss) for the period		-	-	-	-	(40 764)	(40 764)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		-	-	-	-	(40 764)	(40 764)
Share issue		0	-	-	-	-	0
Transaction costs		-	(1 557)	-	-	-	(1 557)
Equity 31 March 2024		1 300 938	276 371	16 038	(3 696)	(103 007)	1 486 644
Equity 1 January 2025		1 300 938	276 410	16 038	(3 379)	(177 263)	1 412 744
Profit/(loss) for the period		-	-	-	-	21 997	21 997
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		-	-	-	-	21 997	21 997
Equity 31 March 2025		1 300 938	276 410	16 038	(3 379)	(155 266)	1 434 742

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		2025 01.01-31.03	2024 01.01-31.03
<i>(Amounts in NOK thousands)</i>	Note	Unaudited	Unaudited
Operating activities:			
Net cash from/used (-) in operating activities		(24 748)	698
Investing activities:			
Investment in mine under construction		-	(365 007)
Investment in producing mine, property, plant and equipment and intangible assets		(109 982)	-
Net cash used in investing activities		(109 982)	(365 007)
Financing activities:			
Net proceeds from borrowings, tap issue bonds		349 000	-
Transfer from Bond Escrow		-	311 182
Interest paid		(35 629)	(33 330)
Payment of lease liabilities		(76)	(76)
Net cash from financing activities		313 294	277 776
Net change in cash and cash equivalents		178 564	(86 533)
Cash and cash equivalents at beginning of period		454 774	634 984
Effect of exchange rate fluctuation on cash held		(15 987)	3 509
Cash and cash equivalents at end of period		617 352	551 959
Net change in restricted cash		6 215	4 215
Restricted cash at beginning of period		12 645	8 430
Restricted cash at end of period		18 860	12 645
Restricted and unrestricted cash at end of period		636 212	564 604

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

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 2024.

This report was authorized for issue by the Board of Directors on 20 May 2025.

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 2024.

New standards, amendments and interpretations to existing standards effective from 1 January 2025 did not have any significant impact on the financial statements.

Note 2 – SEGMENTS

The Group presents segments based on of the Group's mineral projects. The only reportable segment of the Group is the Rutile and Garnet segment. These are the minerals which can be produced from the mineral deposit at Engebø. The Chief Operating Decision Maker ("CODM") for the segment is the board of Nordic Mining ASA.

Note 3 - MINE UNDER CONSTRUCTION

The construction phase of the Engebø project has been completed and all significant parts of the mine and processing plant have been installed and commissioned at site. The mine was in production in Q1 2025, and the carrying amount in the balance sheet of Mine under construction has been reclassified to Producing mine, Property, plant and equipment and Intangible assets.

Note 4 – PROPERTY, PLANT AND EQUIPMENT

(Amounts in NOK thousands)	Mine under construction	Producing Mine	Property, plant and equipment	Intangible assets	Total
Cost					
1 January 2025	2 654 418	-	99 627	-	2 754 045
Additions	57 801	5 731	16 177	436	80 144
Disposals	-	-	-	-	-
Reclassifications	(2 712 219)	427 537	2 264 384	20 297	(0)
31 March 2025	-	433 268	2 380 188	20 733	2 834 190
Depreciation					
1 January 2025	-	-	(2 457)	-	(2 457)
Depreciation expense	-	(164)	(19 125)	(403)	(19 692)
Disposals	-	-	-	-	-
Reclassifications	-	-	-	-	-
31 March 2025	-	(164)	(21 582)	(403)	(22 149)
Net book value:					
31 March 2025	-	433 104	2 358 607	20 331	2 812 041
1 January 2025	2 654 418	-	97 171	-	2 751 589

The mine was in production in Q1 2025, and the carrying amount in the balance sheet of Mine under construction has been reclassified to Producing mine, Property, plant and equipment and Intangible assets. Depreciation of these assets commenced in Q1 2025. For accounting purposes, depreciation commences when the facility is in use and production has started as intended. The facility has been in a testing phase since production of the first mineral concentrate in December 2024. In February 2025, the facility was deemed to

have been brought to the location and condition necessary for it to operate as intended and was therefore considered completed from an accounting perspective.

The main categories of depreciation plans are:

- Buildings and facilities: straight-line basis over an estimated useful life starting February 2025, equal to 38.5 years
- Machinery, equipment and systems: straight-line basis over an estimated useful life of 5 - 20 years
- Producing mine: Unit of Production
- Intangible assets: consisting of IT systems and depreciated on a straight-line basis over an estimated useful life of 5 – 10 years

Note 5 – SPARE PARTS AND INVENTORY

The value of spare parts per Q1 2025 was equal to NOK 14.1 million and the inventory value of finished goods per Q1 2025 was equal to NOK 0,1 million.

Note 6 - BOND LOAN

In March 2025 Nordic Mining ASA's wholly owned subsidiary Engebø Rutile and Garnet AS completed the USD 33 million tap issue to its senior secured bonds 2022/2027 priced at 101% of par. The total outstanding amount under the bonds following the tap issue is USD 133 million.

The bonds are listed on Nordic ABM with ticker: ERUGA01 PRO. The bonds are administered by Nordic Trustee, has fixed coupon of 12.5% per annum, with interest payable quarterly in arrears. The USD 100 million bond issue in 2022 had an issue price of 90% of par.

The bond agreement has a financial covenant stipulating that Engebø Rutile and Garnet AS shall at all times maintain cash on its account of no less than USD 15 million. A breach of the covenant could result in a default under the agreement.

Note 7 – ROYALTY LIABILITY

In November 2023 Nordic Mining ASA's wholly owned subsidiary Engebø Rutile and Garnet AS 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 was 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.

Total amortized cost YTD 2025 is NOK 29.8 million, of which NOK 10.2 million has been capitalized to Mine under construction (capitalized until commencement of production in Q1 2025).

In the first quarter of 2025 the Company revised its estimates of future cash flows related to the royalty agreement. The net effect of the change in estimate, NOK 29.5 million, has been recognized as financial income.

The estimated royalty payments for the next 12 months have been reclassified to other current liabilities.

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

2025:

Net exchange rate gain/loss (-) in Q1 2025 consists mainly of:

- foreign exchange gain of NOK 83.7 million on the USD bond loan,
- foreign exchange gain of NOK 47.0 million on the USD royalty liability, and
- other foreign exchange loss of NOK 15.5 million.

Financial income in Q1 2025 consists mainly of:

- interest on cash held of NOK 4.6 million, and

- change in estimate royalty liability of NOK 29.5 million.

Financial costs in Q1 2025 consist mainly of:

- interest costs on bond loan of NOK 29.4 million, and
- amortized cost royalty liability of NOK 19.7 million.

Borrowing costs of NOK 24,1 million have been capitalized to Mine under construction until commencement of production in Q1 2025.

2024:

Net exchange rate gain/loss (-) in Q1 2024 consists mainly of:

- foreign exchange gain of NOK 53.6 million on bond Escrow in USD;
- foreign exchange loss of NOK 62.9 million on the USD bond loan, and;
- foreign exchange loss of NOK 32.7 million on the USD royalty liability, and;
- foreign exchange loss of NOK 11.4 million on foreign exchange derivatives;
- other foreign exchange gain of NOK 7.1 million.

Financial income in Q1 2024 consists mainly of:

- interest on cash held of NOK 6.7 million.

Financial costs in Q1 2024 consist mainly of:

- transaction costs and fees from financing of NOK 1.1 million.