



**NORDIC
MINING**

INTERIM REPORT

Per 30 September 2020



Minerals for a sustainable future

Nordic Mining ASA ("Nordic Mining" or the "Company") is a resource company with focus on high-end industrial minerals and metals. The Company's project portfolio is of high international standard and holds significant economic potential. The Company's assets are in the Nordic region.

Nordic Mining is undertaking a large-scale project development at Engebø on the west coast of Norway where the Company has rights and permits to a substantial eclogite deposit with rutile and garnet. Nordic Mining also holds 16.3% of the shares in Keliber Oy, which is developing a lithium project in Finland to become the first European producer of battery grade lithium hydroxide.

In addition, Nordic Mining holds interests in other initiatives at various stages of development. This includes patented rights for a new technology for production of alumina and exploration of seabed minerals.

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

Group interim report for the quarter ended 30 September 2020

Important events in the third quarter of 2020 and year to date:

CORPORATE

Fully financed for ongoing DFS update and further into 2021

The Company continues to progress development activities for the Engebø project strategically toward update of the Definitive Feasibility Study (DFS). Total operating expenditures were reduced to NOK –6.0 million, compared to –7.7 million in the second quarter of 2020. The Group's cash balance at 30 September 2020 was NOK 49.5 million. The Group has no interest-bearing debt and is fully financed for the ongoing DFS update and further into 2021 based on current plans and forecasts.

Strengthening of Management

The Group's new CFO Christian Gjerde took up his position effective from 1 August 2020.

Titanium and lithium added to EU's list of Critical Raw Materials

In September, the European Commission added titanium and lithium to its list of Critical Raw Materials to reflect the changed economic importance of the minerals in the transition towards a green and digital economy, and the need to develop resilient value chains for Europe's industrial ecosystems by reducing dependency on third countries, diversifying supply sources and improving resource efficiency and circularity.

ENGEBØ RUTILE AND GARNET PROJECT (100% ownership)

Definitive Feasibility Study reinforced Engebø as a world class rutile and garnet project

In January 2020, the Company published the results of the DFS for the Engebø project. The study reinforced Engebø as a world class rutile and garnet project and outlines the execution plan for the project.

Financial highlights from DFS:

- Pre-tax NPV@8% USD 450 million
 - Pre-tax IRR 21.9%
 - Post-tax NPV@8% USD 344 million
 - Post-tax IRR 19.8%
- Strong cashflow and short payback support bankability:
 - Average annual free cashflow first 15 years of USD 70 million
 - Net operating cashflow (undiscounted) of USD 2,160 million
 - Initial capex of USD 311 million and deferred capex of USD 25 million (underground)
 - Pay-back period < 5 years

For more details on the DFS, see page 5-6.

Engebø DFS update in progress – material reduction of CAPEX expected

Following the finalization of the DFS Nordic Mining initiated, as a result of the uncertainties caused by the Covid-pandemic, a third-party Value Engineering review was undertaken by engineering company Ausenco, with the purpose to increase the project's robustness to future market conditions. The review identified specific opportunities to materially reduce the initial project capital expenditure, and further improve the economic utilization of the Engebø deposit.

In early October, Nordic Mining appointed engineering companies Hatch and Axe Valley Mining to confirm and develop the opportunities identified to DFS-level for an update of the Engebø DFS.

The DFS update will focus on the following optimization opportunities:

- Reduce process plant footprint by changing construction strategy, and fit-for-purpose infrastructure, lay-out and buildings
- Early involvement of selected suppliers to optimize engineering and costing of main construction packages
- Reduce carbon footprint by use of alternative technologies, including use of electrical dryers

- Implement targeted mining strategy to maximize extraction of high-grade ore and postpone and minimize waste rock mining
- Revisions to underground mining strategy that focus on high-grade ore and increased overall extraction through the application of backfilling
- Optimize initial garnet capacity as a result of the market uncertainty caused by the Covid-pandemic

Engebø operating license completes the main regulatory permits for the project

On 17 June, the Directorate of Mining granted the operating license for the Engebø project. The license is granted for the life of mine of the project which includes an open pit and underground phase. 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 operating license completes the main regulatory permits for the project.

Environmental, Social and Governance at the core of Nordic Mining's corporate strategy

Nordic Mining is continuously investigating measures to further improve the environmental and social aspects of the Engebø project. In June 2020, an application was submitted to the Environment Agency for substitution of chemicals that will be used in ore processing. The planned consumption is a 99% reduction compared with the granted chemicals in the environmental permit of 2015. Further, Nordic Mining is evaluating, as part of the update of the DFS, the use of (renewable) electric drying instead of natural gas to reduce climate footprint, and optimizing plant lay-out and configuration in order to reduce the physical footprint of the project.

The Company is in process of planning for implementation of integrated environmental and social management system to ensure environmental and social issues are managed in accordance with IFC Performance Standards and the Equator Principles, and all Norwegian permits and regulations.

Long-term fundamentals supportive for Engebø project

The market outlook for rutile and garnet remains uncertain in the short to medium term as a result of the Covid-pandemic. For rutile, long term fundamentals remain strong with global supply of rutile expected to be continuously reduced in the coming year as mineral deposits are depleted, at the same time as demand for rutile as a high-grade titanium feedstock is expected to remain strong driven by its value and importance for industrial applications. Rutile price in the first three quarters of 2020 is reported to be around USD 1,200 per tonne (FOB), which is above the long-term price used in the Engebø DFS.

For garnet, demand has been impacted by reduced economic activity and lower oil price, however prices are reported to remain relatively strong in Europe and U.S. The main producers of garnet are today located in Australia, China, India and South-Africa, with no production in Europe. European garnet buyers have indicated that long-term supply of high-quality garnet from Europe is important for supply security. Nordic Mining is in concrete discussions with companies for long-term offtake agreements for a considerable portion of the expected garnet production volume.

KELIBER LITHIUM PROJECT (16.3% ownership)

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

Keliber's updated DFS for the lithium project was presented in February 2019 based on production of lithium hydroxide. In 2020 lithium prices have been under pressure driven by the uncertainties caused by the Covid-pandemic, however, increase in Electrical Vehicle manufacturing and strong sales are improving the lithium market outlook. EU indicated in their 2020 list of Critical Raw Materials that Europe will need about 60 times more lithium, which is critical for a shift to e-mobility, for EV batteries and energy storage by 2050. The first European battery giga-factories are coming to production in 2021, and with more giga-factories in project phase, including significant battery initiatives in the Nordic countries. Keliber's targeted position as a low-cost producer and the first producer in Europe of battery grade lithium hydroxide is expected to be an advantage when it comes to future sales to European battery manufacturers. Depending of the rate of recovery of economies and the pace of transition towards greener and more sustainable solutions, a substantial recovery the lithium market is expected.

Ongoing project update and review

Keliber continues to advance the lithium project in various fields including technical planning, permitting, ore potential, market assessments and financing. This also includes activities to optimize the business case compared with the updated DFS published in February 2019. Decisions have been taken to increase the production capacity for lithium hydroxide from 12,000 to 15,000 tonnes per year. Further, the concentrator plant will be moved closer to the main spodumene deposits to increase efficiency and reduce environmental footprint.

Positive interest from external investors towards Keliber-project

Keliber is in the process to raise EUR 30 million to finance the remaining planned project development activities up to project financing for project construction. Keliber stated in their "Progress Report Q3 2020" that they are in detailed discussions and negotiations with a handful of possible investors, and that they expect to close the financing by end of 2020.

Further, the company state that discussions with investors are based on the company's latest projection of project economics with post-tax-IRR of 22%, expected cost leader in lithium hydroxide in 2025 and growing lithium demand as presented by Roskill in June 2020.

FINANCIAL PERFORMANCE IN Q3 AND FIRST THREE QUARTERS

Unless other information is given, numbers in brackets for comparison relate to the corresponding period in 2019.

The Group is in the Definitive Feasibility Study phase of the Engebø project and has, so far, no sales revenues from operations. Reported operating loss for the third quarter was NOK -6.0 million (NOK -21.3 million), which is an improvement from NOK -7.7 million last quarter. The operating result reflect the Group's continued focus to cautiously and strategically progress development activities for the Engebø project toward update of the DFS.

In the first quarter of 2020, the Group reassessed the mark-to-market valuation of the investment in Keliber based on the implied post-money valuation from Keliber's share issue in March 2020 of EUR 48.4 million. The valuation, which is in the mid-range of relevant fair valuation metrics for Keliber, is retained as of 30 September 2020. The gain on the investment of NOK 1.5 million is a translation gain from strengthening of EUR against NOK in the quarter, and the loss of NOK 3.2 million for the first three quarters of 2020 a translation loss. For further information, see Note 3. Nordic Mining's carrying amount for the investment in Keliber was NOK 87.6 million as of 30 September (31.12.19: NOK 90.8 million).

Reported net loss in the third quarter of 2020 was NOK -4.6 million (NOK -19.1 million) and NOK -33.7 million for the first three quarters of 2020 (NOK -42.3 million).

Net cash outflow from the Group's operating activities in the first three quarters of 2020 was NOK -34.6 million (NOK -57.3 million). In the third quarter, net cash outflow was NOK -7.3 million compared to NOK -11.3 million in the second quarter. Net cash outflow to investment activities in the first three quarters was NOK -0.3 million (NOK -0.4 million). This relate to licence cost for the Engebø project. Net cash inflow from financing activities for the first three quarters was NOK 53.9 million (NOK 25.1 million) resulting from the share issue in January. For more information, see Note 4. The Group's cash and cash equivalents were reduced by NOK 7.5 million in the third quarter to NOK 49.5 million. Based on current plans and forecasts, the Group is fully financed for the ongoing DFS update and further into 2021.

Nordic Mining's total assets as of 30 September 2020 was NOK 168.8 million (31.12.2019: NOK 152.4 million), and total equity was NOK 164.3 million (31.12.2019: NOK 143.8 million). The Group had no interest-bearing debt.

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

For further information relating to the Company's risk assessments, reference is made to the annual report for 2019 which is available on the Company's webpage www.nordicmining.com.

MAIN PROJECTS AND ACTIVITIES

Engerbø rutile and garnet project (100% ownership)

General project information

The Engerbø deposit is one of the largest unexploited rutile deposits in the world and has among the highest grades of rutile (TiO₂) compared to existing producers and other projects under development. The deposit also contains significant quantities of high-quality garnet. The Company published the results of the Definitive Feasibility Study for the project in January 2020. The study reinforces Engerbø as a world class rutile and garnet project and outlines the plans for execution of the project.

The Engerbø project will be developed in accordance with high international standards for environment, health and safety. Regional hydro-electric power will supply the process plant with renewable energy. The deposit has a favourable location next to a deep-water quay and with efficient shipping/logistics to European and overseas markets. This limits the project's physical footprint and reduces adverse environmental effects.

As part of the DFS, a comprehensive plan has been made to develop an environmental and social management system (ESMS) to ensure environmental and social issues are managed in accordance with the Group's standards, permits and Norwegian regulations. ESMS and supporting programs, will be developed and adapted as part of the operational readiness work. Advanced environmental monitoring programs, using state of the art technologies, will be put in place to ensure adherence to permits and to mitigate environmental effects.

The Engerbø deposit will be developed as a dual mineral operation with production and sale of high-quality rutile and garnet. The business concept provides efficient resource utilization, risk reduction, attractive and robust economics, and valuable future expansion opportunities. The substantial inferred mineral resource highlights the potential for expansion and/or extension of project mine life.

Mineral resource and ore reserve estimates

The following tables provide an overview of the mineral resource and ore reserves estimates, both at 2% TiO₂ cut-off grade, as presented in the DFS by Competent Person Adam Wheeler.

Mineral resource estimate

TiO ₂ Cut-off	Classification	Tonnes (Mt)	Total TiO ₂ (%)	Garnet (%)
2%	Measured	29.2	3.60	44.5
	Indicated	104.0	3.48	43.9
	Total – Measured and Indicated	133.2	3.51	44.0
	Inferred	254.1	3.15	41.3

Ore reserve estimate

Open Pit	Tonnes (Mt)	TiO ₂ Grade (%)	Garnet Grade (%)
Proven	21.07	3.54	43.8
Probable	13.18	3.29	43.3
Total Open Pit	34.26	3.45	43.6
Underground			
Proven	2.35	3.34	39.2
Probable	26.49	3.21	38.7
Total Underground	28.85	3.22	38.7
Grand Total	63.10	3.34	41.4

Main results from the DFS

The results of the DFS were published in January 2020. The complete summary report is available at the corporate website, and the key results are summarized in the following:

- Dual-mineral production of rutile and garnet in a combined, optimized process provides profitable and robust project financials (in real 2019 terms):
 - Pre-tax NPV@8% USD 450 million
 - Pre-tax IRR 21.9%
 - Post-tax NPV@8% USD 344 million
 - Post-tax IRR 19.8%
- Strong cashflow and short payback support bankability:
 - Average annual free cashflow first 15 years of USD 70 million
 - Net operating cashflow (undiscounted) of USD 2,160 million
 - Initial capex of USD 311 million and deferred capex of USD 25 million (underground)
 - Pay-back period < 5 years
- Low production cost provides competitive strength:
 - Outcropping and geotechnically stable orebody with low stripping ratio
 - Short distance and gravity driven ore transportation minimize transportation
 - Short distance and favourable logistics to main markets
 - 1st quartile revenue-to-cost position for rutile
- Optimized mining plan supports an initial 42 years project life with 1.5 mtpa run of mine operation:
 - 15 years of open pit mining and high-grade processing, and stockpiling of medium/low-grade ore
 - 19 years underground production
 - 8 years production with no mining costs based on stockpiled ore
 - Further project life extension possible based on substantial inferred resources
- High environmental and social standards in accordance with IFC Guidelines and Equator Principles:
 - Environmental:
 - Low carbon footprint and limited land use due to tight project infrastructure, minimal internal transportation and accessible sea freight for transport to market
 - Renewable hydroelectric power as the main source of energy
 - Clean mining operation with no acid drainage and inert minerals
 - Social:
 - Cornerstone operation with 105 full-time employees
 - Substantial regional indirect benefits for supplier and services industries
 - Positive impacts on people's livelihood, education and work opportunities and cultural flourishing
 - Stakeholder engagement to ensure good dialogue with neighbours, communities and other interest groups

Permits and local planning

On 17 June, the Directorate of Mining granted the operating license for the Engebø project. The 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 original deadline for appeals related to the operating license were 8 July 2020. Appeals will be considered by the Ministry of Trade and Industry.

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 process for regulation of the water supply pipeline is ongoing, and resolutions from the municipalities are expected in the fourth quarter of 2020.

Commercial outlook

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 rutile price assumption in the DFS of USD 1,142 per tonne was based on a forecast from the Australian consultancy company TZMI. Rutile price in the first three quarters of 2020 is reported to be around USD 1,200 per tonne (FOB).

In January 2019, Nordic Mining signed a Heads of Agreement with a Japanese trading house relating to long-term offtake for rutile and participation with a substantial portion of the construction financing for the Engebø project. Process to finalize of terms and conditions for a long-term offtake agreement has been delayed as result of Covid-pandemic, however discussions are progressing constructively, and we expect this to be finalized in due course for the update of the DFS.

The main applications for garnet are in waterjet cutting and sand blasting. Prices vary depending on quality and application. 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 increasing demand. To a large extent, this is due to regulatory measures introduced by the Indian government, affecting a substantial part of the garnet production in India. It is uncertain when and to what extent Indian production will re-enter the market.

Keliber Oy (16.3% ownership) – lithium hydroxide project

General project information

Keliber Oy is a Finnish company targeting to be the first producer in Europe of lithium hydroxide for the battery industry. The company has mining license for several lithium deposits as well as exploration permits and claims on other deposits in the Central Ostrobothnia region in Finland. Keliber completed an updated DFS for its lithium project in February 2019 and targets to be the first producer in Europe of battery-grade lithium hydroxide.

Financial highlights from DFS:

- Pre-tax NPV@8% EUR 510 million
- Pre-tax IRR 28%
- Post-tax NPV@8% EUR 384 million
- Post-tax IRR 24%
- Pay-back period (post-tax) 4.1 years

Keliber's project development is in accordance with high international standards for environment, health and safety. Lithium hydroxide is important in modern batteries and a vital material for the ongoing electrification of the transport sector to reduce CO₂ emissions.

Optimizing the business case

Keliber is currently reviewing various aspects of the lithium project. Due to the changes in end-product and production process to lithium hydroxide, additional technical and environmental assessment and planning are required. Further, updated market information for lithium indicated that further optimization of the time schedule was desired.

In November 2019, Keliber announced the results from a continuous pilot program on the Syväjärvi ore minerals processing which significantly improved the recovery and conversion rates from previous pilot-scale test work. The results exceeded the results applied in the updated DFS published in February 2019.

Keliber continues to advance the lithium project in various fields including technical planning, permitting, ore potential and financing. This also includes activities to optimize the business case compared with the updated DFS published in February 2019. Decisions have been taken to increase the production capacity for lithium hydroxide from 12,000 to 15,000 tonnes per year. Further, the concentrator plant will be moved closer to the main spodumene deposits to increase efficiency and reduce environmental footprint.

Updated ore reserve

Over the last years, Keliber has consistently increased the resource base for the lithium project. In December 2019, the ore reserve estimate for the Rapasaari lithium deposit was updated. Following the update, the estimated proven and probable ore reserve totals 5.3 million tonnes with a grade of 1.07% Li₂O. This represents

an increase of 50% compared to the previous estimate for Rapasaari.

Keliber's total proven and probable lithium ore reserves in accordance with the JORC code is currently 9.4 million tonnes with a grade of 0.98% Li₂O as shown in the following table:

Ore Reserves Keliber Oy (JORC 2012)												
	Syväjärvi		Rapasaari		Länttä		Outovesi		Emmes		Total	
Open pit	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%
Proven	1.433	1.18	1.440	1.07	0.168	1.09					3.041	1.12
Probable	0.491	0.97	2.730	0.90	0.096	0.93	0.222	1.06			3.539	0.92
Open pit total	1.924	1.13	4.170	0.96	0.263	1.03	0.222	1.06			6.579	1.01
Underground	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%
Proven			0.340	0.89	0.243	0.83					0.583	0.86
Probable			0.770	0.86	0.583	0.85			0.856	1.01	2.209	0.92
Underground total			1.110	0.87	0.826	0.85			0.856	1.01	2.792	0.90
Ore Reserves total	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%	Mt	Li ₂ O%
Proven	1.433	1.18	1.780	1.04	0.411	0.94					3.624	1.08
Probable	0.491	0.97	3.500	0.89	0.679	0.86	0.222	1.06	0.856	1.01	5.748	0.92
Grand total	1.924	1.13	5.280	0.94	1.090	0.89	0.222	1.06	0.856	1.01	9.372	0.98

The ore reserve estimates have been prepared by AFRY/Pöyry Finland Oy by competent persons under the supervision of Ville-Matti Seppä, MSc (Geology), who has an EurGeol qualification.

Resource drilling has continued in the Kaustinen Päiväneva area in 2020 to increase ore reserves and improve the financial attractiveness of the project.

Strategic assets and initiatives

Alumina technology development

Nordic Mining has since 2009 been engaged in development of a new technology for alumina production as a sustainable alternative to the current production. The technology has successfully been developed together with Institute for Energy Technology (IFE) and has been patented in several countries including Norway, Russia, USA, Canada and with the European Patent Office. In June 2019, the Company announced that the EU's Horizon 2020 program has granted EUR 5.9 million for the AISiCal project to further develop the patented technology. AISiCal is an ambitious research and innovation project to further research, develop and de-risk the technology.

The technology, named the Aranda-Mastin technology (AM technology), is a low waste and low carbon footprint alternative, to the current alumina production which is mainly based on bauxite resources refined through the Bayer process. Bauxite mining and processing is known to have substantial environmental impact due to production of toxic waste, substantial carbon emissions and extensive land use. The new technology is an innovative alternative based on alumina/calcium-rich rocks such as anorthosite. Anorthosite is an alumina-rich feldspar rock with approximately 30% alumina. With the new technology, anorthosite can be close to fully utilized to produce alumina together with silica and calcium carbonate by-products. The technology includes a carbon consumption process-step allowing for a low carbon footprint.

The production process is based on leaching with hydrochloric acid at moderate temperature and pressure. Aluminum is extracted through a sparging process and subsequently calcined to form alumina. Precipitated calcium carbonate (PCC) is produced as a by-product by integrating CO₂ utilization in the process. Silica forms a residue in the leaching process and is also extracted as a by-product. PCC is a commodity used as filler in paper, plastics and paint, and silica is used as filler in tires and plastics, and in the production of cement. The process

can potentially consume close to 500,000 tonnes of CO₂ per million tonne of alumina which corresponds to the emission from a medium sized oil and gas platform. The CO₂ can either be stored safely or utilized as part of the production of PCC. The process aims at being waste free since nearly all the components of the anorthosite are expected to be saleable products.

With the granting of the AISiCal project an ambitious 4-year work plan is in place to further develop the patented technology. The AISiCal Project consortium comprise of 16 international partners from 9 countries. The aim of the project is to further research and de-risk the technology and assess the technical and economic feasibility. The project has a goal of developing the technology towards a zero-carbon emission production process by including integrated CO₂ capture. Nordic Mining is actively participating in the project, leading one of the work packages focused on raw material sources and leaching optimization.

Seabed minerals

Nordic Mining has taken pioneering initiatives related to seabed mineral exploration and knowledge building in Norway. 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 participates in the ongoing MarMine project on marine mineral resources. The project is coordinated by the Norwegian University of Science and Technology (NTNU). The Norwegian Research Council has granted NOK 25 million to the project which has a strong industrial basis and participation. An exploration cruise including mineral sampling and assessments related to seabed mineral operations has been executed in selected areas along the Mid-Atlantic Ridge.

Oslo, 3 November 2020
The Board of Directors of Nordic Mining ASA

CONSOLIDATED INCOME STATEMENT

	2020	2019	2020	2019	2019
	01.07-30.09	01.07-30.09	01.01-30.09	01.01-30.09	01.01-31.12
<i>(Amounts in NOK thousands)</i>	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Payroll and related costs	(3 888)	(4 187)	(10 195)	(11 432)	(15 455)
Depreciation and amortization	(59)	-	(177)	(115)	(202)
Impairment of exploration and evaluation assets	-	-	-	-	-
Other operating expenses	(2 085)	(17 104)	(20 416)	(45 610)	(57 154)
Operating profit/(loss)	(6 032)	(21 291)	(30 788)	(57 157)	(72 811)
Share of loss in associate	-	-	-	(759)	(759)
Gains/losses on investments	1 490	2 361	(3 210)	100 634	75 507
Financial income	3	188	465	226	552
Financial costs	(13)	(384)	(160)	(661)	(1 098)
Profit/(loss) before tax	(4 552)	(19 126)	(33 693)	42 283	1 391
Income tax	-	-	-	-	-
Profit/(loss) for the period	(4 552)	(19 126)	(33 693)	42 283	1 391
Profit/(loss) attributable to					
Equity holders of parent	(4 552)	(19 126)	(33 693)	42 283	1 391
Non-controlling interest	-	-	-	-	-
Earnings per share attributable to ordinary shareholders <i>(Amounts in NOK)</i>					
Basic and diluted earnings per share	(0,02)	(0,13)	(0,17)	0,31	0,01

STATEMENTS OF COMPREHENSIVE INCOME

	2020	2019	2020	2019	2019
	01.07-30.09	01.07-30.09	01.01-30.09	01.01-30.09	01.01-31.12
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<i>(Amounts in NOK thousands)</i>					
Net profit/(loss) for the period	(4 552)	(19 126)	(33 693)	42 283	1 391
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Currency translation differences	-	-	-	(385)	(385)
Currency translation reclassified to profit and loss	-	-	-	(4 880)	(4 880)
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Changes in pension estimates	-	-	-	-	(146)
Other comprehensive income directly against equity	-	-	-	(5 265)	(5 411)
Total comprehensive income/(loss) for the period	(4 552)	(19 126)	(33 693)	37 018	(4 020)
Allocation of comprehensive income					
Equity holders of parent	(4 552)	(19 126)	(33 693)	37 018	(4 020)
Non-controlling interest	-	-	-	-	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30.09.2020	<i>31.12.2019</i>
<i>(Amounts in NOK thousands)</i>	Unaudited	<i>Audited</i>
ASSETS		
Non-current assets		
Evaluation and exploration assets	26 466	26 140
Property, plant and equipment	398	469
Right-of-use assets	17	123
Financial assets	87 568	90 778
Investment in associate	-	-
Total non-current assets	114 449	117 510
Current assets		
Trade and other receivables	4 787	4 286
Cash and cash equivalents	49 530	30 619
Total current assets	54 317	34 905
Total assets	168 766	152 415
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	118 495	101 275
Share premium	472 824	436 074
Other paid-in capital	15 753	15 578
Retained losses	(440 472)	(406 779)
Other comprehensive income	(2 316)	(2 316)
Total equity	164 284	143 832
Non-current liabilities		
Other liabilities	580	586
Lease liabilities	-	-
Total non-current liabilities	580	586
Current liabilities		
Trade payables	1 193	3 142
Other current liabilities	2 709	4 855
Total current liabilities	3 902	7 997
Total liabilities	4 482	8 583
Total shareholders' equity and liabilities	168 766	152 415

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited

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 2019	78 505	401 597	14 502	3 095	(408 170)	89 529
Profit for the period	-	-	-	-	42 283	42 283
Other comprehensive income	-	-	-	(5 265)	-	(5 265)
Total comprehensive income	-	-	-	(5 265)	42 283	37 018
Share issue	7 770	19 749	-	-	-	27 519
Transaction costs	-	(2 355)	-	-	-	(2 355)
Share-based compensation	-	-	919	-	-	919
Equity 30 September 2019	86 275	418 991	15 421	(2 170)	(365 887)	152 630
Equity 1 January 2020	101 275	436 074	15 578	(2 316)	(406 779)	143 832
Loss for the period	-	-	-	-	(33 693)	(33 693)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(33 693)	(33 693)
Share issue	17 220	40 180	-	-	-	57 400
Transaction costs	-	(3 430)	-	-	-	(3 430)
Share-based compensation	-	-	175	-	-	175
Equity 30 September 2020	118 495	472 824	15 753	(2 316)	(440 472)	164 284

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	2020 01.01-30.09 Unaudited	2019 01.01-30.09 Unaudited
<i>(Amounts in NOK thousands)</i>		
Operating activities:		
Net cash used in operating activities	(34 630)	(57 256)
Investing activities:		
Acquisition of licenses and properties	(326)	(425)
Investment in other exploration and evaluation assets	-	-
Investment in property, plant and equipment	-	-
Net cash used in investing activities	(326)	(425)
Financing activities:		
Share issuance	57 400	27 519
Transaction costs, share issue	(3 430)	(2 355)
Payment of lease liabilities	(103)	(74)
Net cash from financing activities	53 867	25 090
Net change in cash and cash equivalents	18 911	(32 591)
Cash and cash equivalents at beginning of period	30 619	49 902
Cash and cash equivalents at end of period	49 530	17 311

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 September 2020

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 2019. 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 2019.

This report was authorized for issue by the Board of Directors on 3 November 2020.

Note 2 – SEGMENTS

The Group presents segments on the basis of the mineral projects. From 1 January 2020 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. The change in reportable segments from 2019 is due to the increasing focus on the development of Engebø, and on the expected limited activity in the subsidiaries Nordic Quartz and Nordic Ocean Resources going forward.

Note 3 – FINANCIAL ASSETS

Keliber Oy

2020:

In March 2020, Keliber completed a share issue directed towards existing shareholders with gross proceeds of EUR 5.8 million at a subscription price of EUR 33 per share which implies a post-money value of Keliber of EUR 48.4 million. Following the share issue, Nordic Mining was diluted from 18.5% to 16.3% ownership. As per 31 March 2020, the Group reassessed the value of Keliber based on the value implied by the share issue, and the value of the Group's investment was adjusted accordingly. In the third quarter, the value assessment has been retained with adjustment for change in foreign currency. The impact in the third quarter is a translation gain on the investment (no cash effect) of NOK 1.5 million.

2019:

In February 2019, Keliber completed a share issue directed towards existing shareholders with gross proceeds of EUR 10 million at a subscription price of EUR 49 per share which implies a post-money value of Keliber of EUR 63 million. Following the share issue, Nordic Mining was diluted from 22% to 18.5% ownership. Consequently, the Group assessed that it no longer imposed significant influence and reclassified the investment in Keliber from an Associate to a Financial Asset Measured at Fair Value Through Profit and Loss under IFRS 9 ("FVPL Method").

On 15 February 2019, the Group derecognized the investment in associate and recognized the financial asset at estimated fair value. A gain was recognized on the difference between the carrying amount of the investment in associate on derecognition and the fair value of the financial asset on the same date. Currency translation adjustments on 15 February 2019 relating to Keliber was reclassified from other comprehensive income to the income statement and included in the recognized gain. Fair value was estimated based on the subscription price in the share issue in February which resulted in a recognized gain of NOK 97.9 million in Q1 2019.

Note 4 – SHARE CAPITAL

On 28 January 2020, Nordic Mining completed a private placement 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.

Note 5 – EVENTS AFTER BALANCE SHEET DATE

Nordic Mining has appointed engineering companies Hatch and Axe Valley Mining to confirm and develop the opportunities identified by Ausenco in their Value Engineering review for an update of the Engebø DFS.