

Nordic Mining

Ticker: NOM

Target: NOK 1,70
Price: NOK 1,41

August 20th, 2008

Nordic Mining

Sector: **Materials**
Industry: **Metals&Mining**
Market cap.: **130**
Recommendation: **BUY**
Risk: **HIGH**

NOKm	2007	2008E	2009E
Revenues	13	19	22
EBITDA	-28	-24	-31
EBIT	-30	-28	-35
EPS (NOK)	-0,69	-0,27	-0,19

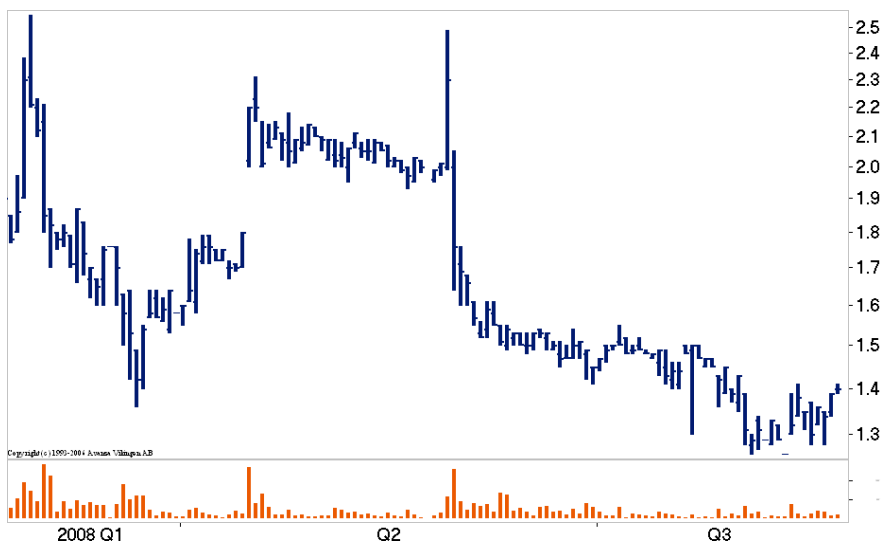
Ratios	2007	2008E	2009E
P/E	neg	neg	neg
EV/NOPLAT	neg	neg	neg
EV/EBITDA	neg	neg	neg
EV/EBIT	neg	neg	neg
P/B	3,1	1,5	0,8
P/Sales	11,9	7,2	6,0

All key figures adjusted for non-recurring items
Book value does not include goodwill

Analyst

Donatas Jankauskas
Position: Analyst
E-mail: dj@analyse.no
Telephone: +370 52 46 15 50

Please see disclosures at the end of this report



Attractive valuation for the long term investors

- Nordic Mining will post its Q2 results on Friday, August 22nd. We anticipate the top line to improve by ca 19% Q/Q due to the increased production volume of anorthosite (we estimate 57 000 tons vs. 47 000 tons seen in Q1). We assume EBITDA of NOK -6,1m compared to NOK -1,4m in Q1. The EBITDA was lifted by the VAT refund of NOK 5,6m in Q1. EPS is expected to come in at NOK -0,08.
- The company is well positioned for a rapid growth, but not as soon as we would like. The main projects are planned to be launched in 2010 (the lithium project) and 2013 (the rutile project). The latter might become one of the largest rutile mining operations in the world. So far, we found no reasons to expect any delays in the company's projects and, thus, make only minor changes to our estimates ahead of the Q2 report.
- We see a significant potential in the company in the long term, as our risked fair value suggests NOK 3,4 per Nordic Mining share. However, with a lack of strong triggers in the near term and forecasted negative bottom lines a few years ahead, which is common for the junior mining companies, we think that it might be difficult for the company to realize its full potential in the short term and we expect gradual climb in the share price over the time. Therefore, we suggest Buying the share with a more moderate target of NOK 1,70 per share for the 6-month period and significantly higher upside potential in the longer run.

(NOKm)	2Q- 2008e	1Q-2008
Revenues	4,3	3,6
EBITDA	-6,1	-1,4
Operating profit	-7,2	-2,5
Pretax profit	-7,1	-2,7
EPS adjusted (NOK)	-0,08	-0,05

Conclusion

Nordic Mining will post its Q2 results on Friday, August 22nd. With most of the projects still being in the early development phases, we should not be surprised of the negative results for the quarter. Still, the long term outlook for Nordic Mining is bright. We suggest Buying the share with a 6-month target of NOK 1,70 and significantly higher upside potential in a longer run.

Estimate changes

NOKm	2008e			2009e			2010e		
	Old	New	Change	Old	New	Change	Old	New	Change
Revenues	20	19	-6%	23	22	-2%	61	62	2%
EBITDA margin, %	-120%	-126%	-7%	-129%	-137%	-8%	-12%	-11%	0%
EBITDA	-23,5	-23,8	nm	-30,1	-30,8	nm	-7,2	-7,0	nm
EBIT	-28,3	-28,5	nm	-35,0	-35,4	nm	-19,4	-19,3	nm
EBIT margin, %	-144%	-151%	-7%	-150%	-158%	-8%	-32%	-31%	1%
EPS (NOK)	-0,24	-0,27	nm	-0,17	-0,19	nm	-0,13	-0,15	nm

Recent insider trades

Date	Name	Position	Action	Price	Value in NOK	Change	Comment
30.05.2008	Dag Dvergsten	Board member	Buy	1,50	5 050 500	63%	-
30.05.2008	Lars K. Grøndahl	CFO	Buy	1,50	400 500	17%	-
11.07.2008	Ivar S. Fossum	CEO	Buy	1,50	135 000	22%	-
11.07.2008	Ottar Nakken	Commercial director	Buy	1,50	30 000	3%	-

SOTP of Nordic Mining

Number of shares, mill (including expected issue):		95,480			
Assets	Value, MNOK	Probability of success	Value per share, NOK	Comment	
Rutile project at Engebøfjellet	272	35%	1,00	DCF-based NPV with WACC 10,6%; assumed partnership where NM will own a 25% stake	
Gold	75	100%	0,79	Based on the previous independent analysis (Micon, 2006)	
Keliber's lithium project	60	80%	0,50	DCF-based NPV with WACC 10,6% (adjusted for ownership of 68%)	
Anorthosite in Aurland (Gudvangen Stein AS)	74	100%	0,78	DCF-based NPV with WACC 10,6% (adjusted for ownership of 85%)	
General and administration	-26		-0,27	DCF-based NPV with WACC 10,6%	
Net debt (cash)	-54		-0,56	End Q1 2008, adjusted for the share issue	
Net asset value	509		3,35		
	Net asset value (rounded)		3,40		

Peer comparison

Source		Mcap, USD million	Resources (million tons)	Grade of TiO ₂ , %	Rutile (million tons)	Mcap/TiO ₂ (USD/ton)
Nordic Mining	Orion	24	380	3,92%	14,90	1,6
Peers						
White Mountain	The Company	26	160	2,10%	3,36	7,8

Segment information

(NOKm)	1Q-2008	2Q-2008e	3Q-2008e	4Q-2008e
Revenues				
Anorthosite project	3,7	4,3	5,8	5,1
Lithium project	0,0	0,0	0,0	0,0
Rutile project	0	0	0	0
Total	4	4	6	5

2007	2008e	2009e	2010e	2011e	2012e	2013e
12	19	20	22	23	40	42
0	0	2	40	107	134	157
0	0	0	0	0	0	528
12	19	22	62	130	173	726

Key assumptions

	1Q-2008	2Q-2008e	3Q-2008e	4Q-2008e
Anorthosite price, USD/t	15	15	15	15,9
Anorthosite production, 1000 tons	47	57	73	60
Lithium price, USD/t	-	-	-	-
Lithium production, 1000 tons	-	-	-	-
Garnet price, USD/t	-	-	-	-
Garnet production, 1000 tons	-	-	-	-
Rutile price, USD/t	-	-	-	-
Rutile production, 1000 tons	-	-	-	-
USD/NOK	5,31	5,08	5,28	5,40

2007	2008e	2009e	2010e	2011e	2012e	2013e
15	15	16	17	18	18	19
131	236	239	241	247	400	400
-	-	-	7 000	7 500	7 500	8 000
-	-	-	1,0	2,4	3,0	3,3
-	-	-	-	-	-	500
-	-	-	-	-	-	30
-	-	-	-	-	-	570
-	-	-	-	-	-	100
5,86	5,27	5,40	5,40	5,40	5,40	5,40

Description of the company

Nordic Mining is a mining company focused on activities such as exploration, extraction and production of high-end industrial minerals and metals. The company was established after the de-merger of Rocksource's business and was registered under Nordic Mining ASA name in May 2006. The company is listed on Oslo Axess with ticker code NOM from 14 September 2007.

The main company's assets are mineral rights for approximately 380 million tons of ore with an estimated TiO₂ content of 3.92% at Engebøfjellet, an anorthosite mine in Gudvangen in Aurland and gold concessions in Ecuador. In addition, the company is the owner of a 68% stake in Keliber Oy, a Finnish company with permits and concessions to start mining and producing lithium carbonate in Finland.

Company data

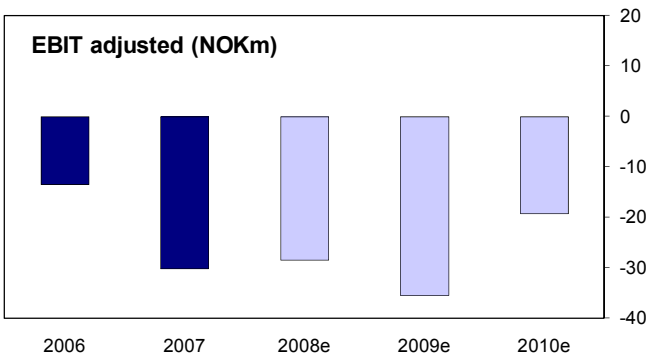
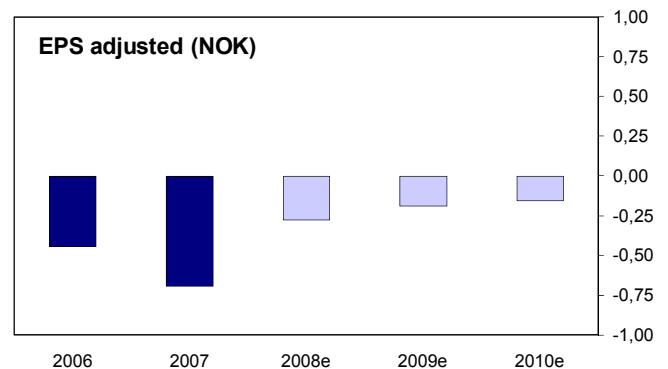
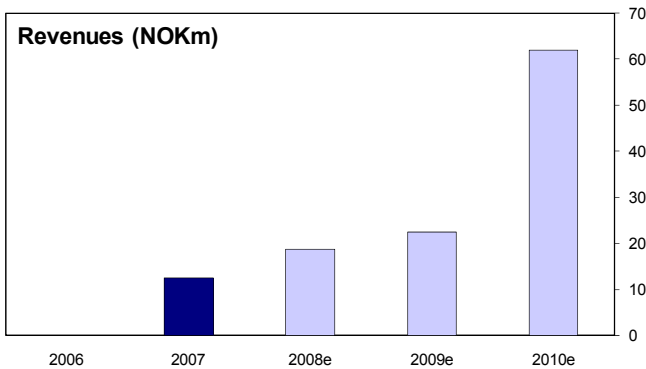
Chief Executive Officer: Ivar Sund Fossum
 Chief Financial Officer: Lars K. Grøndahl

Web: www.nordicmining.com
 Telephone: +47 22 94 77 90
 Address: Munkedamsveien 45
 Entrance A - 5th floor
 Vika Atrium
 N-0250 Oslo
 Norway

Listing: Oslo Axess Exchange
 Number of shares: 95 470 127

News flow

Date	Event
22.Aug.08	Q2 2008 financial report
07.Nov.08	Q3 2008 financial report



Source: Reuters EcoWin

PROFIT & LOSS (NOKm)	2000	2001	2002	2003	2004	2005	2006	2007	2008e	2009e	2010e
Sales	na	na	na	na	na	na	0	13	19	22	62
COGS	na	na	na	na	na	na	0	-3	-9	-13	-18
Gross profit	na	na	na	na	na	na	na	9	10	9	44
Sales & general administration costs	na	na	na	na	na	na	-13	-37	-34	-40	-51
EBITDA	na	na	na	na	na	na	-13	-28	-24	-31	-7
Depreciation & amortisation	na	na	na	na	na	na	0	-2	-5	-5	-12
EBIT adjusted	na	na	na	na	na	na	-13	-30	-28	-35	-19
Non-recurring items	na	na	na	na	na	na	8	0	0	0	0
Goodwill amortisation/write-ups/-downs	na	na	na	na	na	na	0	0	0	0	0
EBIT	na	na	na	na	na	na	-6	-30	-28	-35	-19
Net financial items	na	na	na	na	na	na	0	-8	1	1	-5
Equity earnings	na	na	na	na	na	na	0	0	0	0	0
Pretax profit	na	na	na	na	na	na	-6	-38	-28	-34	-24
Tax	na	na	na	na	na	na	0	5	0	0	0
Tax rate	na	na	na	na	na	na	0%	13%	0%	0%	0%
Profit after taxes	na	na	na	na	na	na	-6	-33	-28	-34	-24
Minority interest	na	na	na	na	na	na	0	0	2	2	-2
Net profit	na	na	na	na	na	na	-6	-33	-26	-32	-26

BALANCE SHEET (NOKm)	2000	2001	2002	2003	2004	2005	2006	2007	2008e	2009e	2010e
Goodwill	na	na	na	na	na	na	0	0	0	0	0
Intangible assets	na	na	na	na	na	na	0	3	10	10	10
Tangible assets	na	na	na	na	na	na	0	48	69	167	239
Financial assets	na	na	na	na	na	na	0	0	0	0	0
Inventories	na	na	na	na	na	na	0	1	1	1	6
Accounts receivable	na	na	na	na	na	na	2	4	7	8	35
Other current assets	na	na	na	na	na	na	0	0	0	0	0
Cash and cash equivalents	na	na	na	na	na	na	101	24	47	30	33
Total assets	na	na	na	na	na	na	104	79	133	216	322
Shareholders' equity	na	na	na	na	na	na	19	46	88	168	142
Minority interest	na	na	na	na	na	na	0	0	0	0	0
Pension provisions	na	na	na	na	na	na	0	0	0	0	0
Interest-bearing debt	na	na	na	na	na	na	80	12	21	21	151
Non-interest-bearing debt	na	na	na	na	na	na	4	22	25	27	30
Equity and liabilities	na	na	na	na	na	na	104	79	133	216	322

KEY FIGURES (*NOK)	2000	2001	2002	2003	2004	2005	2006	2007	2008e	2009e	2010e
Sales per share*	na	na	na	na	na	na	0,00	0,24	0,20	0,13	0,36
Cash flow per share*	na	na	na	na	na	na	-0,20	-0,58	-0,22	-0,16	-0,08
EPS*	na	na	na	na	na	na	-0,20	-0,62	-0,27	-0,19	-0,15
EPS* (adjusted)	na	na	na	na	na	na	-0,44	-0,69	-0,27	-0,19	-0,15
Dividends per share*	na	na	na	na	na	na	0,00	0,00	0,00	0,00	0,00
Book value per share*	na	na	na	na	na	na	0,67	0,86	0,92	0,99	0,84
Net financial position per share*	na	na	na	na	na	na	-0,74	0,09	-0,10	0,04	0,79
P/E	na	na	na	na	na	na	na	neg	neg	neg	neg
P/E (adjusted)	na	na	na	na	na	na	na	neg	neg	neg	neg
P/CF	na	na	na	na	na	na	na	neg	neg	neg	neg
P/Sales	na	na	na	na	na	na	na	11,9	7,2	6,0	2,2
P/Book value	na	na	na	na	na	na	na	3,1	1,5	0,8	0,9
Dividend yield	na	na	na	na	na	na	na	0%	0%	0%	0%
EV/EBITDA**	na	na	na	na	na	na	na	neg	neg	neg	neg
EV/EBIT**	na	na	na	na	na	na	na	neg	neg	neg	neg
EV/NOPLAT**	na	na	na	na	na	na	na	neg	neg	neg	neg
EV/Sales	na	na	na	na	na	na	na	12,3	6,6	6,3	4,3
EBITDA margin	na	na	na	na	na	na	nm	<-100%	-126%	-137%	-11%
EBIT** margin	na	na	na	na	na	na	na	<-100%	-151%	-158%	-31%
Growth of Sales	na	nm	na	na	na	nm	nm	nm	55%	19%	176%
Growth of EBITDA	na	nm	na	na	na	nm	nm	nm	nm	nm	nm
EPS** growth	na	na	na	na	na	na	nm	nm	nm	nm	nm
Share price*	na	na	na	na	na	na	na	2,7	1,4	1,4	1,4
No. shares year-end	na	na	na	na	na	na	na	28,7	53,5	95,5	170,5
Market capitalisation*	na	na	na	na	na	na	na	144,4	134,6	134,6	134,6
Net debt*	na	na	na	na	na	na	na	-21	5	-10	7
Enterprise value*	na	na	na	na	na	na	na	149	125	142	269
Book value of equity*	na	na	na	na	na	na	na	19	46	88	168
Equity percentage	na	na	na	na	na	na	na	18%	58%	66%	78%
Net debt/EBITDA	na	na	na	na	na	na	na	na	na	na	na

Book Value does not include goodwill. **Adjusted for non-recurring items and goodwill amortisation/write-ups/-downs

PROFIT & LOSS											
(NOKm)	2Q-2006	3Q-2006	4Q-2006	1Q-2007	2Q-2007	3Q-2007	4Q-2007	1Q-2008	2Q-2008e	3Q-2008e	4Q-2008e
Sales	0,0	0,0	0,0	0,0	1,1	5,9	5,5	3,6	4,3	5,8	5,1
COGS	0,0	0,0	0,0	0,0	-0,6	-2,1	-0,8	-0,8	-1,4	-3,6	-3,3
Sales & general administration costs	-3,1	-4,2	-6,2	-8,4	-10,5	-9,4	-8,9	-4,2	-9,0	-10,4	-9,9
EBITDA	-3,1	-4,2	-6,2	-8,4	-10,0	-5,6	-4,2	-1,4	-6,1	-8,2	-8,1
Depreciation & amortisation	0,0	0,0	0,0	0,0	-0,4	-0,8	-0,8	-1,1	-1,1	-1,3	-1,2
EBIT adjusted	-3,1	-4,2	-6,2	-8,4	-10,4	-6,4	-5,5	-2,5	-7,2	-9,5	-9,3
Non-recurring items	7,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Goodwill amortisation/write-ups/-downs	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
EBIT	4,4	-4,2	-6,2	-8,4	-10,4	-6,4	-5,5	-2,5	-7,2	-9,5	-9,3
Net financial items	0,0	0,1	0,0	-8,0	0,1	-0,1	-0,3	-0,2	0,1	0,5	0,4
Equity earnings	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Pretax profit	4,4	-4,1	-6,2	-16,4	-10,3	-6,5	-5,7	-2,7	-7,1	-9,0	-8,9
Tax	0,0	0,0	0,0	0,0	5,1	0,0	0,0	0,0	0,0	0,0	0,0
Tax rate	0%	0%	0%	0%	-49%	0%	0%	0%	28%	28%	28%
Profit after taxes	4,4	-4,1	-6,2	-16,4	-5,3	-6,5	-5,7	-2,7	-7,1	-9,0	-8,9
Minority interest	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,8	0,7
Net profit	4,4	-4,1	-6,2	-16,4	-5,3	-6,5	-5,7	-2,7	-7,1	-8,2	-8,1

BALANCE SHEET											
(NOKm)	2Q-2006	3Q-2006	4Q-2006	1Q-2007	2Q-2007	3Q-2007	4Q-2007	1Q-2008	2Q-2008e	3Q-2008e	4Q-2008e
Goodwill	0	0	0	0	0	0	0	0	0	0	0
Intangible assets	0	0	0	3	3	3	3	3	3	3	10
Tangible assets	0	0	0	0	46	48	48	47	65	70	69
Financial assets	0	0	0	0	0	0	0	0	0	0	0
Inventories	0	0	0	0	2	1	1	1	1	1	1
Accounts receivable	10	7	2	0	4	5	4	6	5	8	7
Other current assets	0	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents	7	5	101	3	41	30	24	21	60	48	47
Total assets	17	12	104	7	97	87	79	79	134	131	133
Shareholders' equity	15	11	19	5	58	52	46	43	99	96	88
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Interest-bearing debt	0	0	80	0	10	9	12	11	11	11	21
Non-interest-bearing debt	1	1	4	2	29	27	22	25	25	25	25
Equity and liabilities	17	12	104	7	97	87	79	79	134	131	133

KEY FIGURES											
(*NOK)	2Q-2006	3Q-2006	4Q-2006	1Q-2007	2Q-2007	3Q-2007	4Q-2007	1Q-2008	2Q-2008e	3Q-2008e	4Q-2008e
EPS*	0,31	-0,28	-0,21	-0,57	-0,10	-0,12	-0,11	-0,05	-0,08	-0,09	-0,09
EPS* (adjusted)	-0,20	-0,27	-0,20	-0,54	-0,18	-0,12	-0,10	-0,05	-0,08	-0,09	-0,09
EBITDA margin	nm	nm	nm	nm	<-100%	-98%	-78%	-39%	<-100%	<-100%	<-100%
EBIT** margin	nm	nm	nm	nm	<-100%	<-100%	<-100%	-69%	<-100%	<-100%	<-100%
Growth of Sales (Q/Q)	nm	nm	nm	nm	nm	430%	-7%	-32%	20%	33%	-11%
Growth of EBITDA (Q/Q)	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
EPS** growth (Q/Q)	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Growth of Sales (Y/Y)	nm	nm	nm	nm	nm	nm	nm	nm	303%	1%	-4%
Growth of EBITDA (Y/Y)	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
EPS** growth (Y/Y)	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Share price*	na	na	na	na	na	3,6	2,7	1,6	1,5	1,4	1,4
No. shares quarter-end	14,4	14,4	28,7	28,7	53,5	53,5	53,5	53,5	91,9	95,5	95,5
Market capitalisation*	na	na	na	na	na	191,5	144,4	84,5	133,3	134,6	134,6
Net debt*	-7,1	-5,2	-21,3	-3,2	-13,1	-1,0	5,0	5,7	-32,9	-21,0	-9,8
Enterprise value*	na	na	na	na	na	190,4	149,4	90,2	100,4	113,6	124,8
Book value of equity*	15,2	11,2	19,1	5,3	58,2	51,9	46,0	43,3	99,0	96,1	88,0
Equity percentage	91%	89%	18%	77%	60%	59%	58%	55%	74%	73%	66%

Book Value does not include goodwill. **Adjusted for non-recurring items and goodwill amortisation/write-ups/-downs

TOP 20 INVESTORS		18.08.2008		Change over a week
No.	Investor	Ownership*	No. of shares	No. of shares
1	DAG DVERGSTEN AS	8,9%	8 469 145	0
2	SKAGEN VEKST	7,3%	7 000 000	0
3	NORDEA BANK PLC FINLAND	5,4%	5 163 726	0
4	VERDIPAPIRFONDET KLP AKSJENORGE	4,4%	4 225 000	0
5	MP PENSJON	2,6%	2 500 000	0
6	OLON AS	2,4%	2 242 333	0
7	DYBVAD CONSULTING AS	2,1%	2 025 788	5 000
8	<private>	2,0%	1 867 000	0
9	DNO INVEST AS	1,9%	1 806 442	0
10	KLP LK AKSJER	1,8%	1 685 000	0
11	<private>	1,3%	1 266 984	5 000
12	SANDNES INVESTERING ASA	1,3%	1 250 000	0
13	BOREA NOTERTE II AS	1,2%	1 126 800	0
14	SNATI AS	1,2%	1 104 874	0
15	<private>	1,0%	910 714	0
16	BOREA NOTERTE I AS	0,9%	901 440	0
17	EUROVEKST II AS	0,9%	900 000	0
18	<private>	0,9%	890 000	0
19	<private>	0,9%	831 237	30 000
20	BOREA NOTERTE III AS	0,8%	788 760	0

*Based on data from VPS. Shares registered on foreign depositories are not included.

Nordic Mining		NOM											
Price	NOK	1,41	Risk:		High							Last report	31.03.2008
Capitalisation	NOK	130	Investment potential:		Average							Last update	20.08.2008
		2000	2001	2002	2003	2004	2005	2006	2007	2008e	2009e	2010e	
Sales	NOK	na	na	na	na	na	na	0	13	19	22	62	
EBITDA	NOK	na	na	na	na	na	na	-13	-28	-24	-31	-7	
EBIT adjusted	NOK	na	na	na	na	na	na	-13	-30	-28	-35	-19	
Operating earnings (EBIT)	NOK	na	na	na	na	na	na	-6	-30	-28	-35	-19	
Pretax profits (EBT)	NOK	na	na	na	na	na	na	-6	-38	-28	-34	-24	
Net profit	NOK	na	na	na	na	na	na	-6	-33	-26	-32	-26	
Net debt (cash)	NOK	na	na	na	na	na	na	-21	5	-10	7	134	
Enterprise value	NOK	na	na	na	na	na	na	na	149	125	142	269	
Book value of equity	NOK	na	na	na	na	na	na	19	46	88	168	142	
Equity percentage		na	na	na	na	na	na	18%	58%	66%	78%	44%	
Sales per share	NOK	na	na	na	na	na	na	0,00	0,24	0,20	0,13	0,36	
Cash flow per share	NOK	na	na	na	na	na	na	-0,20	-0,58	-0,22	-0,16	-0,08	
EPS	NOK	na	na	na	na	na	na	-0,20	-0,62	-0,27	-0,19	-0,15	
EPS (adjusted)	NOK	na	na	na	na	na	na	-0,44	-0,69	-0,27	-0,19	-0,15	
Dividends per share	NOK	na	na	na	na	na	na	0,00	0,00	0,00	0,00	0,00	
Book value per share	NOK	na	na	na	na	na	na	0,67	0,86	0,92	0,99	0,84	
Net debt (cash) per share	NOK	na	na	na	na	na	na	-0,74	0,09	-0,10	0,04	0,79	
P/E		na	na	na	na	na	na	na	neg	neg	neg	neg	
P/E (adjusted)		na	na	na	na	na	na	na	neg	neg	neg	neg	
P/CF		na	na	na	na	na	na	na	neg	neg	neg	neg	
P/Sales		na	na	na	na	na	na	na	11,9	7,2	6,0	2,2	
P/Book value		na	na	na	na	na	na	na	3,1	1,5	0,8	0,9	
Dividend yield		na	na	na	na	na	na	na	0,0%	0,0%	0,0%	0,0%	
EV/EBITDA*		na	na	na	na	na	na	na	neg	neg	neg	neg	
EV/EBIT*		na	na	na	na	na	na	na	neg	neg	neg	neg	
EV/NOPLAT*		na	na	na	na	na	na	na	neg	neg	neg	neg	
EV/Sales		na	na	na	na	na	na	na	12,3	6,6	6,3	4,3	
EBITDA* margin		na	na	na	na	na	na	nm	<-100%	-126%	-137%	-11%	
EBIT* margin		na	na	na	na	na	na	nm	<-100%	-151%	-158%	-31%	
Growth of Sales		na	nm	na	na	na	nm	nm	nm	55%	19%	176%	
Growth of EBITDA*		na	nm	na	na	na	nm	nm	nm	nm	nm	nm	
EPS* growth		na	na	na	na	na	na	nm	nm	nm	nm	nm	

*Adjusted for non-recurring items and goodwill amortisation/write-ups/-downs
Book value does not include goodwill

Disclosures

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Recommendation history for NOM

Date	Recommendation	Target price (NOK)
20.08.2008	BUY	1,70
25.06.2008	STRONG BUY	2,60
05.05.2008	STRONG BUY	3,40

The table above shows current and previous recommendations given in company reports.

Planned updates

Orion Securities plans to update the recommendation on the company: 1) when new accounting figures are released, 2) if any material news on the company or industry is released, 3) other important instances.

Was the company report presented to the issuer?

The company report was presented to the issuer before dissemination. The report was changed after being presented to the issuer.

Price target methodology and risks

Our share price target is based on DCF valuation of the company's projects. The main risks to our price target include changes in probability of success applied for the company's projects as well as changes in the metals and minerals price estimates.

Critical assumptions

Earnings forecasts are highly sensitive to the metals and minerals prices and the amount of metals and minerals sales assumptions.

Information sources

The Company, quarterly report from the company, Vikingen Børs, Infanciales, Reuters Ecowin.

Potential conflict of interest

Investors should assume that Orion Securities is seeking or will seek Corporate Finance or other business relationships with the company in this report. None of Orion Securities' employees are a representative of the Board or any other similar supervision bodies of the Company. Responsible analyst has not provided investment banking services for the company during the last 12 months. Please note that Orion Securities operate as market maker in the shares of Nordic Mining and may have holdings for this purpose. Complete lists of corporate clients and updated share positions are available at www.analyse.no.

Share positions in the Company:

Responsible analyst(s)	0
Employees	100
Orion Securities	0

Analysts never hold shares in companies they analyze. Positions of employees are based on lists gathered at the end of each week. Holdings as part of Orion Securities' investment services activity such as market making are not included.

Recommendation structure and risk classification

Orion Securities' recommendations are based on a six month time horizon and are based on absolute performance adjusted for risk. Near term dividends are included into return. The table below shows our general guidelines for determining recommendations:

Risk	Strong buy	Buy	Hold	Reduce	Sell
Low	>15%	5%-15%	2%-4%	1% - -10%	<-10%
Medium	>20%	8%-20%	4%-7%	3% - -8%	<-8%
High	>25%	13%-25%	5%-12%	4% - -5%	<-5%

The percentages are defined as upside to our price target plus eventual dividends within six months. Our risk assessments range from high risk to medium risk and low risk and are based on a subjective assessment of the following factors: 1) volatility in the share price, 2) liquidity in share, 3) strength of balance sheet, 4) absolute earnings level and trend and 5) estimate risk.

Recommendation distribution as of Apr 9

Børsblikk	Strong buy	Buy	Hold	Reduce	Sell
Total	25	57	54	31	12
% of total	14%	32%	30%	17%	7%
Corporate clients	8	5	14	0	0
% of total	30%	19%	52%	0%	0%

The recommendation distribution above is based on Orion-rating in Børsblikk. Orion-rating of +2 is defined as strong buy, +1 as buy, 0 as hold. Orion-rating of -1 is defined as reduce and -2 as sell.

Recommendation distribution as of Apr 9

Company reports	Strong buy	Buy	Hold	Reduce	Sell
Total	32	36	23	21	11
% of total	26%	29%	19%	17%	9%
Corporate clients	5	5	4	1	0
% of total	33%	33%	27%	7%	0%

The table above shows recommendation distribution for all company reports issued during the last three months.

Information barriers

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