



STRONG BUY

Nordic Mining

Ticker: NOM

Target: NOK 2,50

Price: NOK 1,38

May 14, 2010

Nordic Mining

Sector: **Materials**
 Industry: **Metals & Mining**
 Market cap.: **173**
 Recommendation: **STRONG BUY**
 Risk: **MEDIUM**

NOKm	2009	2010E	2011E
Revenues	20	19	33
EBITDA	-22	-24	-24
EBIT	-25	-28	-30
EPS (NOK)	-0,21	-0,15	-0,19

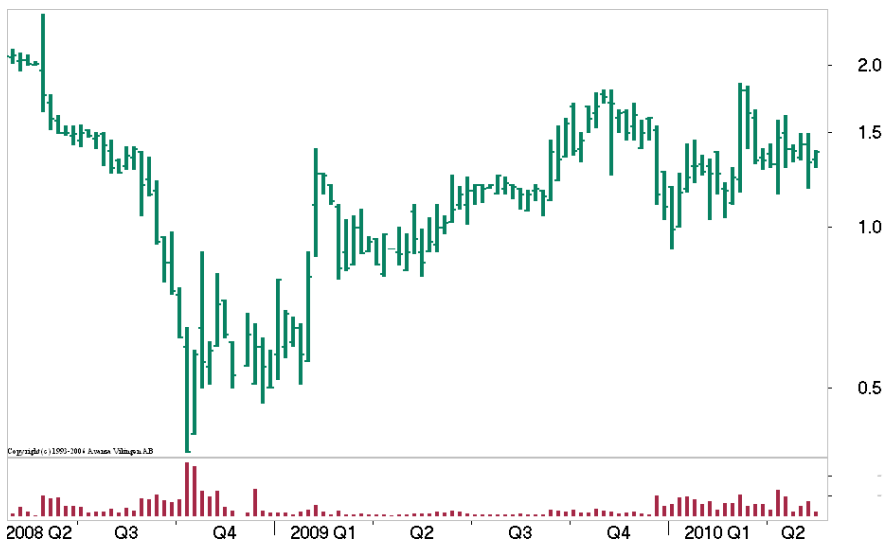
Ratios	2009	2010E	2011E
P/E	neg	neg	neg
EV/NOPLAT	neg	neg	neg
EV/EBITDA	neg	neg	neg
EV/EBIT	neg	neg	neg
P/B	3,3	6,2	5,2
P/Sales	4,66	8,90	5,25

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

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Please see complete disclosures at the end of this report



Still high potential seen

- During the closed Q1 2010, due to cold weather the European construction industry faced lower level of activity, which eroded the demand for anorthosite, in turn slashing Q1 revenues of Nordic Mining below our estimates. However, the company managed to keep the development expenses for Engebø and Keliber under tight control, which resulted in EBIT being better than our projections.
- The Engebø rutile project seems close to getting environmental permits. Final negotiations with municipalities start in May and are anticipated to be closed before the end of Q2. In the Keliber lithium project, the company targets further exploration activity in 2010 in order to expand its resources. Finally, in Gudvangen Stein, the company is working on the product development, which would enable switching to more value-added products. In addition, the management prepared a new mining plan with extended production potential up to 1m tons of anorthosite annually against our estimate of 0,44m. However, we will wait for more details until reflecting this plan in our estimates.
- We keep our assumptions for the main NOM projects unchanged. However, we upgrade our estimates somewhat due to a stronger USD and better control over development expenses. We still see a significant upside to the NPV fair value of NOK 7,7 per share. Thus, we feel comfortable with our reiterated target price of NOK 2,50 and a Strong Buy recommendation.

Q1 results (NOKm)	Reported	Terra
Revenues	3,0	4,3
EBITDA	-5,7	-7,9
Operating profit	-6,3	-8,8
Pretax profit	-6,9	-9,0
EPS adjusted (NOK)	-0,04	-0,07

Conclusion

After the Q1 report, we upgraded our estimates somewhat due to more favorable currency rates and a tight control over the project development expenses. Our target price of NOK 2,50 per share and a Strong Buy recommendation leave us comfortable.

Estimate changes

NOKm	2010e			2011e			2012e		
	Old	New	Change	Old	New	Change	Old	New	Change
Revenues	20	19	-2,3%	31	33	5,1%	41	43	5,1%
Gross margin, %	38,9%	50,8%	11,9%p	50,6%	51,3%	0,7%p	58,9%	59,4%	0,5%p
EBITDA	-31,3	-23,9	nm	-31,2	-24,0	nm	-26,4	-18,6	nm
EBIT	-35,5	-27,8	nm	-36,9	-29,7	nm	-32,9	-25,1	nm
EBIT margin, %	>100%	>100%	nm	>100%	-90,0%	nm	-79,7%	-57,9%	21,8%p
EPS adj. (NOK)	-0,19	-0,15	nm	-0,24	-0,19	nm	-0,28	-0,23	nm

Recent insider trades

Date	Name	Position	Action	Price	Value in NOK	Share	Comment
13.04.2010	Hasselhaugen AS	related to Dag Dvergsten, chairman	Sell	1,37	365 119	-3 %	—

Note: only more than NOK 50 000 worth trades are included in the table

SOTP of Nordic Mining

Number of shares, mill:

125,470

Assets	Value, MNOK	Probability of success	Value per share, NOK	Comments
Rutile project at Engebøfjellet	1 205	70 %	6,72	DCF-based NPV with WACC 9,7%; assumed partnership where NM will own a 25% stake
Gold	0	0 %	0,00	
Keliber's lithium project	88	65 %	0,45	DCF-based NPV with WACC 9,7% (adjusted for ownership of 68%)
Anorthosite in Aurland (Gudvangen Stein AS)	101	100 %	0,81	DCF-based NPV with WACC 9,7%
General and administration	-37		-0,29	DCF-based NPV with WACC 9,7%
Net debt (cash)	4		0,03	End Q1 2010
Net asset value	1 354		7,66	

Peer comparison

NOKm	Source	EV*	EV/EBITDA*		EV/EBIT*		P/E		Market Cap
			2010e	2011e	2010e	2011e	2010e	2011e	
Nordic Mining	Terra	177	neg	neg	neg	neg	neg	neg	173
Rutile producers									
Titanium Resources Group	Consensus**	543	7,8	4,1	19,1	6,4	27,5	5,5	330
Iluka Resources	Consensus**	11 245	9,5	6,0	nm	11,7	nm	13,0	9 324
Consolidated Rutile	Consensus**	739	nm	nm	nm	nm	nm	nm	812
Median			8,7	5,1	19,1	9,0	27,5	9,3	
Lithium producers									
SQM	Consensus**	63 095	nm	nm	nm	nm	nm	nm	69 222
American Lithium Minerals	Consensus**	241	6,2	1,6	6,3	1,6	8,7	2,3	246
Median			6,2	1,6	6,3	1,6	8,7	2,3	

* Calculated applying the last reported Balance sheet and last Market Capitalization

** Infinancials

Segment information

(NOKm)	4Q-2009	1Q-2010	2Q-2010e	3Q-2010e
Revenues				
Anorthosite project	6,3	3,0	4,5	6,2
Lithium project	0,0	0,0	0,0	0,0
Rutile project	0,0	0,0	0,0	0,0
Total	6	4	7	9

2008	2009	2010e	2011e	2012e	2013e	2014e
20	22	19	33	43	46	53
0	0	0	0	0	53	124
0	0	0	0	0	0	299
20	22	19	33	43	99	475

Key assumptions

	4Q-2009	1Q-2010	2Q-2010e	3Q-2010e
Anorthosite price, USD/t	15	15	15	15
Anorthosite production, tons	60 186	47 945	47 945	66 102
Lithium price, USD/t	-	-	-	-
Lithium production, tons	-	-	-	-
Gamet price, USD/t	-	-	-	-
Gamet production, tons	-	-	-	-
Rutile price, USD/t	-	-	-	-
Rutile production, tons	-	-	-	-
USD/NOK	5,69	5,86	6,20	6,20

2008	2009	2010e	2011e	2012e	2013e	2014e
16	16	15	16	17	18	19
218	221	223	334	400	400	440
-	-	-	-	-	7 000	7 000
-	-	0,0	0,0	0,0	1,2	2,8
-	-	-	-	-	-	300
-	-	-	-	-	0	52 000
-	-	-	-	-	-	740
-	-	-	-	-	0	44 000
5,65	6,28	6,11	6,20	6,20	6,20	6,20

DCF model

Rutile and garnet project at Engebøfjellet

DCF, USDm	2010e	2011e	2012e	2013e	2014e	2015e-
Revenues	0	0	0	0	48	2 803
Operating costs	1	2	2	2	17	719
EBITDA	-3	-2	-2	-2	31	2 084
Depreciation	0	0	0	0	2	117
EBIT	-3	-2	-2	-2	29	1 967
Tax rate	28 %	28 %	28 %	28 %	28 %	28 %
Net profit	-2	-2	-2	-2	21	1 416
Investment	0	70	70	70	1	21
Free Cash Flow	-2	-72	-72	-72	22	1 512
DCF	-2	-61	-55	-50	14	442
Sum NPV						288

Keliber's lithium project

DCF, USDm	2010e	2011e	2012e	2013e	2014e	2015e-
Revenues	0	0	0	9	20	350
Operating costs	1	2	2	2	1	150
EBITDA	-1	-2	-2	7	19	200
Depreciation	0	0	0	3	5	49
EBIT	-1	-2	-2	4	14	151
Tax rate	28 %	28 %	28 %	28 %	28 %	28 %
Net profit	-1	-1	-1	3	10	109
Investment	0	24	24	12	0	4
Free Cash Flow	-1	-25	-25	-7	13	153
DCF	-1	-21	-20	-5	8	59
Sum NPV						21

Anorthosite in Aurland (Gudvangen Stein AS)

DCF, USDm	2010e	2011e	2012e	2013e	2014e	2015e-
Revenues	4	5	7	7	8	121
Operating costs	0	4	5	5	5	66
EBITDA	0	1	2	3	3	55
Depreciation	1	1	1	1	1	12
EBIT	-1	1	2	2	3	44
Tax rate	28 %	28 %	28 %	28 %	28 %	28 %
Net profit	-1	1	1	1	2	31
Investment	0	0	0	6	0	1
Changes in working capital	0	0	0	0	0	0
Free Cash Flow	0	1	2	-4	3	43
DCF	0	1	2	-3	2	15
Sum NPV						16

DCF model (cont'd)

USDm	2010e	2011e	2012e	2013e	2014e	2015e-
Revenues	4	5	7	16	77	3 274
Operating costs	2	8	9	9	23	934
EBITDA	-4	-2	-2	35	217	2 339
Depreciation	1	1	1	3	9	178
EBIT	-4	-3	-3	4	45	2 162
Tax rate	28 %	28 %	28 %	28 %	28 %	28 %
Net profit	-3	-2	-2	3	33	1 556
Investment	0	94	94	88	1	25
Free Cash Flow	-2	-96	-95	-82	38	1 708
DCF	-2	-81	-73	-58	24	516
Sum NPV		325				

Assumptions		WACC calculation	
Rutile project at Engebøfjellet		Debt ratio	18 %
Mine lifetime, years	50	Cost of debt (after tax)	9,4%
Start of production	2014	Risk free rate	3,6%
Long term rutile price, USD/t	840	Beta	1,0
Annualized average production rate, tons of rutile	100 000	Market risk premium	6,0%
Capital costs, USD million	211	Cost of equity	9,8%
Probability of success	70 %	WACC	9,7%
Garnet production at Engebøfjellet			
Mine lifetime, years	50		
Start of production	2014		
Long term garnet price, USD/t	455		
Annualized average production rate, tons of garnet	100 000		
Probability of success	70 %		
Keliber's lithium project			
Mine lifetime, years	15		
Start of production	2013		
Long term lithium carbonate price, USD/t	9 000		
Annualized average production rate, tons of lithium carbonate	4 000		
Capital costs, USD million	61		
Probability of success	65 %		
Anorthosite in Aurland (Gudvangen Stein AS)			
Mine lifetime, years	20		
Start of production	2007		
Long term Anorthosite price, NOK/t	130,2		
Annualized average production rate, tons of anorthosite	440 000		
Capital costs, USD million	6		
Probability of success	100 %		
USD/NOK	6,20		

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 in Oslo 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 an owner of a 68% stake in Keliber Oy, a Finnish company with permits and concessions to start mining and production of lithium carbonate in Finland.

Company data

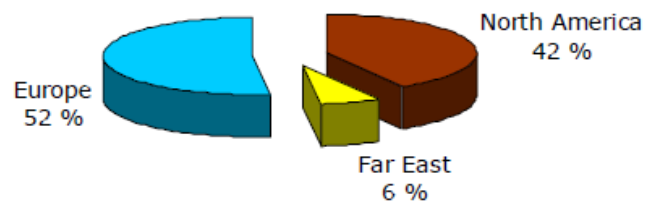
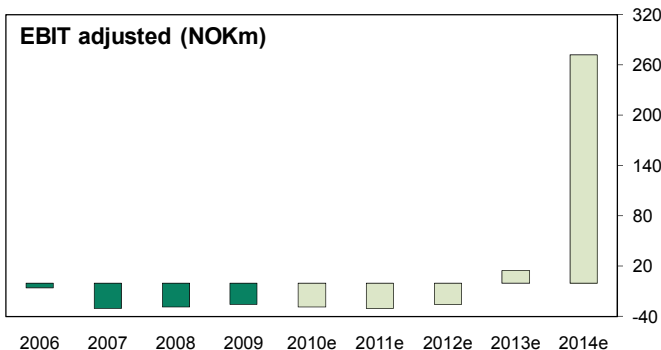
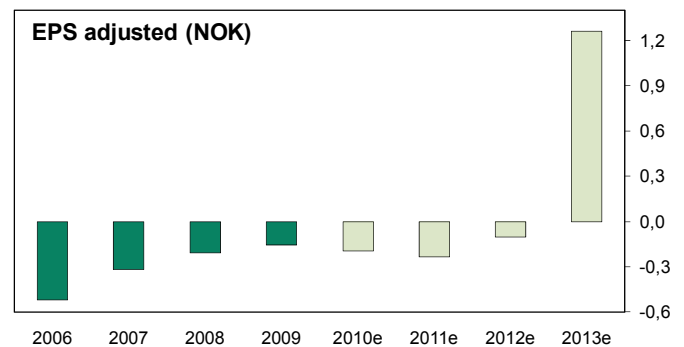
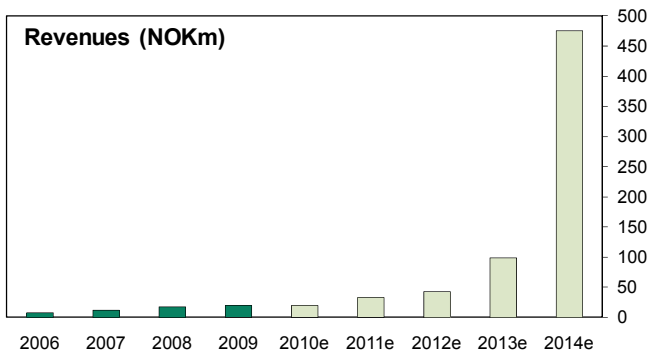
Chief Executive Officer: Ivar Sund Fossum
 Chief Financial Officer: Lars K. Grøndahl

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 Address: Munkedamsveien 45
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Listing: Oslo Stock Exchange
 Number of shares: 125 470 091

News flow

Date	Event
May 2010	Clarification on Keliber cooperation initiative
May/June 2010	Environmental permits for Engebø
20.08.2010	NOM Q2 2010 report



Consumption of natural rutile

Source: Nordic Mining

PROFIT & LOSS													
(NOKm)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010e	2011e	2012e	2013e
Sales	na	na	na	na	na	8	13	18	20	19	33	43	99
COGS	na	na	na	na	na	0	-3	-1	-6	-10	-16	-18	-18
Gross profit	na	na	na	na	na	na	9	16	14	10	17	26	81
Sales & general administration costs	na	na	na	na	na	-13	-37	-41	-36	-34	-41	-44	-45
EBITDA	na	na	na	na	na	-6	-28	-25	-22	-24	-24	-19	36
Depreciation & amortisation	na	na	na	na	na	0	-3	-4	-3	-4	-6	-7	-21
EBIT adjusted	na	na	na	na	na	-6	-30	-29	-25	-28	-30	-25	15
Non-recurring items	na	na	na	na	na	0	0	-13	-2	0	0	0	0
Goodwill amortisation/write-ups/-downs	na	na	na	na	na	0	0	0	0	0	0	0	0
EBIT	na	na	na	na	na	-6	-30	-42	-27	-28	-30	-25	15
Net financial items	na	na	na	na	na	0	-8	0	-1	-1	-8	-19	-23
Equity earnings	na	na	na	na	na	0	0	0	0	0	0	0	0
Pretax profit	na	na	na	na	na	-6	-39	-42	-28	-29	-38	-44	-8
Tax	na	na	na	na	na	0	5	-1	1	0	0	0	4
Tax rate	na	na	na	na	na	0 %	13 %	-2 %	4 %	0 %	0 %	0 %	47 %
Profit after taxes	na	na	na	na	na	-6	-33	-43	-27	-29	-38	-44	-4
Minority interest	na	na	na	na	na	0	0	0	0	1	3	2	-7
Extraord. items / Discontinued oper.	na	na	na	na	na	0	0	0	0	0	0	0	0
Net profit	na	na	na	na	na	-6	-33	-43	-27	-27	-35	-42	-11
Other comprehensive income	na	na	na	na	na	0	0	0	0	0	0	0	0
Comprehensive income	na	na	na	na	na	-6	-33	-43	-27	-27	-35	-42	-11

BALANCE SHEET													
(NOKm)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010e	2011e	2012e	2013e
Goodwill	na	na	na	na	na	0	0	10	8	7	7	7	7
Intangible assets	na	na	na	na	na	0	3	3	4	4	4	4	4
Tangible assets	na	na	na	na	na	0	48	85	69	64	160	254	284
Financial assets	na	na	na	na	na	0	0	0	0	0	0	0	0
Inventories	na	na	na	na	na	0	1	2	2	4	7	7	7
Accounts receivable	na	na	na	na	na	2	5	5	7	8	12	14	49
Other current assets	na	na	na	na	na	91	0	0	0	0	0	0	0
Cash and cash equivalents	na	na	na	na	na	10	24	40	8	8	18	127	50
Total assets	na	na	na	na	na	104	81	146	97	96	207	414	402
Shareholders' equity	na	na	na	na	na	19	46	68	37	35	41	49	38
Minority interest	na	na	na	na	na	0	0	11	9	8	8	8	8
Pension provisions	na	na	na	na	na	0	0	0	0	0	0	0	0
Interest-bearing debt	na	na	na	na	na	80	12	11	11	12	112	312	312
Other liabilities	na	na	na	na	na	4	23	56	41	40	47	45	44
Equity and liabilities	na	na	na	na	na	104	81	146	97	96	207	414	402

KEY FIGURES													
(NOK)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010e	2011e	2012e	2013e
Sales per share	na	na	na	na	na	na	0,24	0,19	0,21	0,16	0,26	0,35	0,79
Free cash flow per share	na	na	na	na	na	na	-0,82	-0,32	-0,26	-0,12	-1,01	-1,09	-0,39
EPS	na	na	na	na	na	na	-0,63	-0,45	-0,28	-0,22	-0,28	-0,33	-0,09
EPS (adjusted)	na	na	na	na	na	na	-0,52	-0,32	-0,21	-0,15	-0,19	-0,23	-0,10
Dividends per share	na	na	na	na	na	na	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Book value per share*	na	na	na	na	na	na	0,86	0,61	0,30	0,22	0,26	0,33	0,24
Net debt (cash) per share	na	na	na	na	na	na	-0,05	-0,19	0,13	0,10	0,81	1,54	2,15
P/E	na	na	na	na	na	na	neg	neg	neg	neg	neg	neg	neg
P/E (adjusted)	na	na	na	na	na	na	neg	neg	neg	neg	neg	neg	neg
P/FCF	na	na	na	na	na	na	neg	neg	neg	neg	neg	neg	neg
P/Net Sales	na	na	na	na	na	na	16,7	3,5	6,8	17,5	10,2	6,7	2,1
P/Book value*	na	na	na	na	na	na	3,1	1,0	3,3	6,2	5,2	4,2	5,7
P/Book value (incl. goodwill)	na	na	na	na	na	na	3,1	0,8	2,6	4,9	4,3	3,5	4,6
EV/EBITDA	na	na	na	na	na	na	neg	neg	neg	neg	neg	neg	12,4
EV/EBIT**	na	na	na	na	na	na	neg	neg	neg	neg	neg	neg	30,0
EV/NOPLAT**	na	na	na	na	na	na	neg	neg	neg	neg	neg	neg	41,6
EV/Sales	na	na	na	na	na	na	11,7	2,8	5,7	9,9	8,6	8,6	4,6
Dividend yield	na	na	na	na	na	na	0 %	0 %	0 %	0 %	0 %	0 %	0 %
ROE* (adjusted)	na	na	na	na	na	na	-85 %	-58 %	-46 %	-68 %	-79 %	-78 %	-36 %
Equity ratio*	na	na	na	na	na	18 %	57 %	43 %	32 %	32 %	17 %	10 %	8 %
Debt/Equity*	na	na	na	na	na	419 %	46 %	37 %	71 %	73 %	363 %	770 %	1054 %
Net debt/EBITDA	na	na	na	na	na	nm	nm	nm	nm	nm	nm	nm	7,43
Gross margin	na	na	na	na	na	na	69 %	91 %	68 %	51 %	51 %	59 %	82 %
EBITDA margin	na	na	na	na	na	-78,6%	<-100%	<-100%	<-100%	<-100%	-72,8%	-42,9%	36,8%
EBIT** margin	na	na	na	na	na	-78,6%	<-100%	<-100%	<-100%	<-100%	-90,0%	-57,9%	15,3%
Growth of Sales	na	na	na	na	na	nm	nm	47 %	14 %	-4 %	69 %	32 %	127 %
Growth of EBITDA	na	na	na	na	na	nm	nm	nm	nm	nm	nm	nm	nm
EPS** growth	na	na	na	na	na	na	nm	nm	nm	nm	nm	nm	nm
Share price	na	na	na	na	na	na	2,7	0,6	1,0	1,4	1,4	1,4	1,4
No. shares year-end	na	na	na	na	na	na	53,5	95,5	95,5	125,5	125,5	125,5	125,5
Market capitalisation	na	na	na	na	na	na	144,4	57,3	94,5	173,1	173,1	173,1	173,1
Net debt	na	na	na	na	na	na	70	-2	-18	13	12	193	270
Enterprise value	na	na	na	na	na	na	142	50	116	193	283	375	451
Book value of equity*	na	na	na	na	na	na	19	46	58	29	28	42	30

*Excluding goodwill

**Adjusted for non-recurring items and goodwill amortisation/write-ups/-downs

PROFIT & LOSS											
(NOKm)	2Q-2008	3Q-2008	4Q-2008	1Q-2009	2Q-2009	3Q-2009	4Q-2009	1Q-2010	2Q-2010e	3Q-2010e	4Q-2010e
Sales	4,4	4,2	5,8	3,0	4,5	7,5	5,4	3,0	4,5	6,2	5,7
COGS	0,5	-1,1	0,0	-0,9	-0,8	-2,9	-1,8	-0,3	-3,3	-3,0	-2,9
Gross profit	4,7	3,1	5,8	2,2	3,6	4,5	3,5	2,7	1,2	3,2	2,8
Sales & general administration costs	-9,2	-12,0	-15,8	-9,3	-8,4	-10,6	-8,0	-8,4	-7,4	-9,2	-8,9
EBITDA	-4,3	-8,9	-10,0	-7,2	-4,8	-6,0	-4,4	-5,7	-6,2	-6,0	-6,1
Depreciation & amortisation	-1,1	-1,0	-0,9	-0,7	-0,7	-0,7	-0,8	-0,6	-1,0	-1,2	-1,1
EBIT adjusted	-5,4	-9,8	-10,9	-7,9	-5,5	-6,8	-5,2	-6,3	-7,1	-7,2	-7,2
Non-recurring items	0,0	-6,3	-7,0	0,0	0,0	0,0	-2,1	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	-5,4	-16,1	-17,9	-7,9	-5,5	-6,8	-7,3	-6,3	-7,1	-7,2	-7,2
Net financial items	-0,1	-0,6	0,6	0,2	0,6	-0,8	-0,8	-0,6	-0,1	-0,1	-0,2
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	-5,5	-16,7	-17,2	-7,6	-4,9	-7,5	-8,1	-6,9	-7,3	-7,3	-7,4
Tax	0,0	0,0	-0,7	0,0	0,0	0,0	1,1	0,0	0,0	0,0	0,0
Tax rate	0%	0%	-4%	0%	0%	0%	13%	0%	0%	0%	0%
Profit after taxes	-5,5	-16,7	-17,9	-7,6	-4,9	-7,5	-7,0	-6,9	-7,3	-7,3	-7,4
Minority interest	0,0	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,4	0,4	0,4
Extraord. Items / Discontinued oper.	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Net profit	-5,5	-16,6	-17,8	-7,5	-4,8	-7,4	-6,9	-6,8	-6,9	-6,9	-6,9
Other comprehensive income	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Comprehensive income	-5,5	-16,6	-17,8	-7,5	-4,8	-7,4	-6,9	-6,8	-6,9	-6,9	-6,9

BALANCE SHEET											
(NOKm)	2Q-2008	3Q-2008	4Q-2008	1Q-2009	2Q-2009	3Q-2009	4Q-2009	1Q-2010	2Q-2010e	3Q-2010e	4Q-2010e
Goodwill	8	8	10	9	9	8	8	7	7	7	7
Intangible assets	3	3	3	3	3	3	4	4	4	4	4
Tangible assets	90	87	85	79	77	73	69	67	66	65	64
Financial assets	0	0	0	0	0	0	0	0	0	0	0
Inventories	2	2	2	2	2	2	2	3	5	4	4
Accounts receivable	6	9	5	4	5	6	7	14	5	7	8
Other current assets	0	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents	53	46	40	32	18	12	8	16	18	11	8
Total assets	163	156	146	129	114	104	97	112	105	98	96
Shareholders' equity	91	81	68	57	53	44	37	56	49	42	35
Minority interest	9	9	11	10	10	9	9	8	8	8	8
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Interest-bearing debt	12	11	11	11	12	11	11	12	12	12	12
Other liabilities	51	54	56	51	40	40	41	36	36	36	40
Equity and liabilities	163	156	146	129	114	104	97	112	105	98	96

KEY FIGURES											
(NOK)	2Q-2008	3Q-2008	4Q-2008	1Q-2009	2Q-2009	3Q-2009	4Q-2009	1Q-2010	2Q-2010e	3Q-2010e	4Q-2010e
EPS	-0,06	-0,17	-0,19	-0,08	-0,05	-0,08	-0,07	-0,05	-0,05	-0,05	-0,06
EPS (adjusted)	-0,04	-0,13	-0,13	-0,06	-0,04	-0,06	-0,06	-0,04	-0,04	-0,04	-0,04
12-months forward P/E (adjusted)	neg	neg	neg	neg	neg	neg	neg	neg	neg	neg	neg
Equity ratio*	53 %	50 %	43 %	40 %	42 %	37 %	32 %	46 %	43 %	38 %	32 %
Debt/Equity*	25 %	31 %	37 %	44 %	50 %	58 %	71 %	42 %	49 %	58 %	73 %
Gross margin	111 %	74 %	100 %	71 %	81 %	61 %	66 %	89 %	26 %	51 %	50 %
EBITDA margin	<-100%	<-100%	<-100%	<-100%	<-100%	-81 %	-83 %	<-100%	<-100%	-96 %	<-100%
EBIT** margin	<-100%	<-100%	<-100%	<-100%	<-100%	-91 %	-98 %	<-100%	<-100%	<-100%	<-100%
Growth of Sales (Q/Q)	17 %	-1 %	37 %	-47 %	46 %	67 %	-29 %	-43 %	49 %	38 %	-8 %
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)	293 %	-26 %	8 %	-15 %	6 %	77 %	-8 %	-1 %	1 %	-17 %	8 %
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	1,5	0,7	0,6	0,9	1,2	1,4	1,0	1,3	1,4	1,4	1,4
No. shares quarter-end	91,9	95,5	95,5	95,5	95,5	95,5	95,5	125,5	125,5	125,5	125,5
Market capitalisation	133	69	57	83	115	135	95	164	173	173	173
Net debt	-33	-24	-18	-11	4	9	12,9	4	2	9	12
Enterprise value	110	54	50	82	129	152	116	176	184	191	193
Book value of equity*	82,7	73,0	57,8	48,6	44,0	35,7	29,0	48,6	41,7	34,9	27,9

*Excluding goodwill

**Adjusted for non-recurring items and goodwill amortisation/write-ups/-downs

TOP 20 INVESTORS		10.05.2010		Change over a week
No.	Investor	Ownership*	No. of shares	No. of shares
1	DAG DVERGSTEN AS	6,75 %	8 469 145	0
2	SKAGEN VEKST	6,31 %	7 915 000	0
3	HOLBERG NORGE	5,98 %	7 500 000	0
4	FINNISH INDUSTRY INVESTMENT LTD.	4,78 %	6 000 000	0
5	JPMORGAN CHASE BANK	3,99 %	5 011 946	0
6	DYBVAD CONSULTING AS	2,81 %	3 520 788	0
7	MP PENSJON	2,61 %	3 270 000	0
8	<private>	2,00 %	2 514 851	0
9	SOLON AS	1,79 %	2 242 333	0
10	SNATI AS	1,70 %	2 131 628	0
11	<private>	1,67 %	2 100 320	181 175
12	DNO INVEST AS	1,44 %	1 806 442	0
13	<private>	1,43 %	1 790 084	0
14	NORDNET BANK AB	1,32 %	1 659 849	89 117
15	VPF NORDEA SMB	1,26 %	1 582 000	10 000
16	OVE KLUNGLAND HOLDING AS NIL	0,95 %	1 194 608	70 000
17	<private>	0,92 %	1 160 000	0
18	<private>	0,89 %	1 122 851	0
19	<private>	0,83 %	1 046 237	-15 000
20	NORDEA BANK PLC FINLAND	0,81 %	1 020 179	1 020 179

Source: InFront / Online Trader

Nordic Mining												NOM	
Price	NOK	1,38										Risk: Medium	Last report 31.03.2010
Capitalisation	NOK	173										Investment potential: Average	Last update 14.05.2010
		2002	2003	2004	2005	2006	2007	2008	2009	2010e	2011e	2012e	
Sales	NOK	na	na	na	na	8	13	18	20	19	33	43	
Gross profit	NOK	na	na	na	na	na	9	16	14	10	17	26	
EBITDA	NOK	na	na	na	na	-5,9	-28	-25	-22	-24	-24	-19	
EBIT adjusted	NOK	na	na	na	na	-5,9	-30	-29	-25	-28	-30	-25	
Operating earnings (EBIT)	NOK	na	na	na	na	-5,9	-30	-42	-27	-28	-30	-25	
Pretax profits (EBT)	NOK	na	na	na	na	-5,8	-39	-42	-28	-29	-38	-44	
Net profit	NOK	na	na	na	na	-5,8	-33	-43	-27	-27	-35	-42	
Net debt (cash)	NOK	na	na	na	na	70	-2	-18	13	12	102	193	
Enterprise value	NOK	na	na	na	na	na	142	50	116	193	283	375	
Book value of equity	NOK	na	na	na	na	19	46	58	29	28	33	42	
Sales per share	NOK	na	na	na	na	na	0,24	0,19	0,21	0,16	0,26	0,35	
Free cash flow per share	NOK	na	na	na	na	na	-0,82	-0,32	-0,26	-0,12	-1,01	-1,09	
EPS	NOK	na	na	na	na	na	-0,63	-0,45	-0,28	-0,22	-0,28	-0,33	
EPS (adjusted)	NOK	na	na	na	na	na	-0,52	-0,32	-0,21	-0,15	-0,19	-0,23	
Dividends per share	NOK	na	na	na	na	na	0,00	0,00	0,00	0,00	0,00	0,00	
Book value per share*	NOK	na	na	na	na	na	0,86	0,61	0,30	0,22	0,26	0,33	
Net debt (cash) per share	NOK	na	na	na	na	na	-0,05	-0,19	0,13	0,10	0,81	1,54	
P/E		na	na	na	na	na	neg	neg	neg	neg	neg	neg	
P/E (adjusted)		na	na	na	na	na	neg	neg	neg	neg	neg	neg	
P/FCF		na	na	na	na	na	neg	neg	neg	neg	neg	neg	
P/Sales		na	na	na	na	na	11,93	3,22	4,66	8,90	5,25	3,99	
P/Book value*		na	na	na	na	na	3,1	1,0	3,3	6,2	5,2	4,2	
EV/EBITDA		na	na	na	na	na	neg	neg	neg	neg	neg	neg	
EV/EBIT**		na	na	na	na	na	neg	neg	neg	neg	neg	neg	
EV/NOPLAT**		na	na	na	na	na	neg	neg	neg	neg	neg	neg	
EV/Sales		na	na	na	na	na	11,73	2,81	5,73	9,95	8,60	8,63	
Dividend yield		na	na	na	na	na	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
ROE* (adjusted)		na	na	na	na	na	-85 %	-58 %	-46 %	-68 %	-79 %	-78 %	
Equity ratio*		na	na	na	na	na	18,4 %	57 %	43 %	32 %	32 %	17 %	
Debt/Equity*		na	na	na	na	na	419 %	46 %	37 %	71 %	73 %	363 %	
Net debt/EBITDA		na	na	na	na	na	nm	nm	nm	nm	nm	nm	
Gross margin		na	na	na	na	na	69 %	91 %	68 %	51 %	51 %	59 %	
EBITDA margin		na	na	na	na	na	-78,6 %	<-100%	<-100%	<-100%	<-100%	-72,8 %	
EBIT** margin		na	na	na	na	na	-78,6 %	<-100%	<-100%	<-100%	<-100%	-90,0 %	
Growth of Sales		na	na	na	na	na	nm	nm	47 %	14 %	-4 %	69 %	
Growth of EBITDA		na	na	na	na	na	nm	nm	nm	nm	nm	nm	
EPS** growth		na	na	na	na	na	nm	nm	nm	nm	nm	nm	

*Book value of equity excludes goodwill

**Adjusted for non-recurring items and goodwill amortisation/write-ups/-downs

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Recommendation history for NOM

Date	Recommendation	Target price (NOK)
14.05.2010	STRONG BUY	2,50
01.03.2010	STRONG BUY	2,50
26.08.2008	STRONG BUY	1,70
20.08.2008	BUY	1,70

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

Planned updates

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

Was the company report presented to the issuer?

The company report was not presented to the issuer before dissemination.

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 the metals and minerals price estimates as well as the operational performance in the main company's projects.

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, Infionals, Reuters Ecwin.

Potential conflict of interests

Investors should assume that Terra Markets is seeking or will seek Corporate Finance or other business relationships with the company in this report. None of Terra Markets' employees are a representative of the Board or any other similar supervision body of the Company. Responsible analyst has not provided any investment banking services to the Company during the last 12 months. Terra Markets has not been giving any investment banking services or acted as financial advisor or manager/co-manager for the Company during the last 12 months. Complete lists of corporate clients and updated share positions are available at www.terramarkets.no.

Share positions in the Company:

Responsible analyst(s)	0
Employees of Terra Markets AS	0
Terra Markets AS	0
Affiliated agents of Terra Markets AS	0

Analysts never hold any shares in companies they analyze. Positions of employees are based on lists updated each week. Holdings as a part of Terra Markets' investment services activities such as market making are not included.

Recommendation structure

Company reports

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

Risk	Buy / Strong Buy	Hold	Reduce / Sell
Low	> 10%	2% - 10%	< 2%
Medium	> 15%	3% - 15%	< 3%
High	> 30%	5% - 30%	< 5%

The percentages are defined as an upside to our price target plus eventual dividends within six months. Whether a Buy or Strong Buy / Reduce or Sell recommendation is given, depends on analyst's conviction in the case. 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 the share, 3) strength of the balance sheet, 4) absolute earnings level and trend and 5) estimate risk.

Recommendation distribution as of April 8, 2010

Company reports	Strong Buy	Buy	Hold	Reduce	Sell
Total	5	75	27	9	4
% of total	4%	63%	23%	8%	3%
Corporate clients	1	20	4	0	0
% of total	4%	80%	16%	0%	0%

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

Weekly Casebook

Terra Markets provides an updated assessments for all the companies in its research universe on a weekly basis in the Weekly Casebook product. Recommendations in Weekly Casebook are based on a 2 to 8-week time horizon and an expected absolute share price performance. In Weekly Casebook, Terra-rating of +2 is defined as Strong Buy, +1 as Buy, 0 as Hold, -1 as Reduce and -2 as Sell. Buy or Strong Buy recommendation is given when the analyst believes the stock price will appreciate in the coming 2 to 8 weeks, Hold recommendation is given when the analyst believes the share price will be flat in the coming 2 to 8 weeks, Reduce or Sell recommendation is given when the analyst believes the share price will depreciate in the coming 2 to 8 weeks. Whether a Buy or Strong Buy / Reduce or Sell recommendation is given, depends on the analyst's conviction in the case. The recommendations in the Weekly Casebook may differ from the recommendations in the company reports due to different time horizons.

Recommendation distribution as of April 8, 2010

Weekly Casebook	Strong Buy	Buy	Hold	Reduce	Sell
Total	8	70	42	15	1
% of total	6%	51%	31%	11%	1%
Corporate clients	2	16	5	2	0
% of total	8%	64%	20%	8%	0%

The recommendation distribution above is based on Terra-rating in Weekly Casebook. Terra-rating of +2 is defined as Strong Buy, +1 as Buy, 0 as Hold. Terra-rating of -1 is defined as Reduce and -2 as Sell.

Trading recommendations

Terra Markets issues trading recommendations, Trading Buy and Trading Sell, which are based on a 1 to 5-day horizon. Trading Buy (Trading Sell) recommendation is given when the analyst believes the stock will rise (fall) on an absolute basis during a 1 to 5-day period. Trading Buy and Trading Sell recommendations may not coincide with our Buy and Sell recommendations given in the company reports on a six-month basis. There will not necessarily be any updates to the trading recommendations.

The selection of trading recommendations is based on the evaluation of short-term market fundamentals, performance of the peer stock prices, expected news flow as well as the companies' fundamental valuation. The comments given with the trading recommendations show the reasoning for them.

Historic and future returns

Please note that historic returns do not guarantee future positive returns from suggested trades. The client may not be able to achieve the same entry and exit prices for his positions. The client return will then deviate from the reported results of the trading. The commission and clearing cost will further reduce the return achieved by the client. Any trade can give a substantial negative result.

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