

PROSPECTUS



SUBSEQUENT OFFERING AND LISTING OF UP TO 10,000,000 OFFER SHARES, EACH WITH A NOMINAL VALUE OF NOK 0.10 WITH A TOTAL PROCEED OF UP TO NOK 10,000,000 WITH PREFERRED ALLOCATION TO OWNERS OF SUBSCRIPTION RIGHTS

SUBSCRIPTION RIGHTS WILL BE ISSUED TO SHAREHOLDERS AS OF 4 FEBRUARY 2010

SUBSCRIPTION PRICE OF NOK 1.00 PER OFFER SHARE, RAISING UP TO NOK 10,000,000 IN GROSS PROCEEDS

SUBSCRIPTION PERIOD FROM AND INCLUDING 17:30 CET 8 MARCH 2010 TO AND INCLUDING 17:30 CET 22 MARCH 2010

LISTING OF 20,000,000 SHARES ON OSLO AXESS, EACH WITH A NOMINAL VALUE OF NOK 0.10, ISSUED IN CONNECTION WITH THE ALREADY COMPLETED PRIVATE PLACEMENT

SUBSCRIPTION RIGHTS THAT ARE NOT EXERCISED AND USED FOR SUBSCRIPTION OF OFFER SHARES PRIOR TO THE EXPIRY OF THE SUBSCRIPTION PERIOD WILL BE OF NO VALUE

MANAGER:



5 March 2010

Important Notice

This Prospectus has been prepared according to Sections 7-2 and 7-3 of the Securities Trading Act in connection with (1) the listing of 20,000,000 new shares (the “New Shares”) on Oslo Axess and (2) the Subsequent Offering in Nordic Mining ASA (“Nordic Mining” or the “Company”), as defined and described herein. The New Shares have been issued pursuant to resolution by the Board of Directors on 5 February 2010 and the Offer Shares are offered pursuant to the resolution by the Extraordinary General Meeting on 1 March 2010.

This Prospectus has been approved by Oslo Stock Exchange pursuant to Section 7-7 of the Securities Trading Act. The information contained herein is as of the date hereof and is subject to change, completion and amendment without notice. There may have been changes in matters affecting the Company subsequent to the date of this Prospectus. Any new factor or significant error or inaccuracy in the Prospectus capable of affecting an assessment of the New Shares and/or the Offer Shares arising after the publication of this Prospectus and before the New Shares and/or the Offer Shares are listed on Oslo Axess will be published as a supplement to this Prospectus in accordance with applicable regulations in Norway. The delivery of this Prospectus shall under no circumstances create any implication that the information contained herein is complete or correct as of any time subsequent to the date hereof. All inquiries relating to this Prospectus or the matters addressed herein should be directed to the Company or the Manager. No persons other than those described in this Prospectus have been authorized to disclose or disseminate information about this Prospectus or about the matters addressed in this Prospectus. If given, such information may not be relied upon as having been authorized by the Company. Norwegian law shall govern this Prospectus, and any disputes relating to this Prospectus or the listing of the New Shares and the Offer Shares are subject to the sole jurisdiction of Norwegian courts, with Oslo District Court as legal venue.

Selling Restrictions

This document constitutes a Prospectus for the purpose of article 3 of the directive 2003/71/EC (“Prospectus directive”) and has been prepared in accordance with Sections 7-2 and 7-3 of the Norwegian Securities Trading Act as amended and the rules promulgated there under. This Prospectus has been reviewed and approved by the Oslo Stock Exchange pursuant to the Norwegian Securities Trading Act Section 7-7. The distribution of the Prospectus may be restricted by law in certain jurisdictions. The Subsequent Offering is not being made to persons whose participation would require additional offering documents or registration or in respect of which any other measure or action needs to be taken in addition to those required under the laws of Norway, as set out above. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any of the securities offered hereby, by or on behalf of Nordic Mining, the Manager, any of their respective affiliates or any other person in any jurisdiction in which it is unlawful for any person to make such an offer or solicitation. Except for the approval by Oslo Stock Exchange as described above, no action has been taken to permit the distribution of the Prospectus in any jurisdiction where action would be required for such purposes.

Accordingly, this Prospectus may not be used for the purpose of an offer of or solicitation for any securities in any jurisdiction or in any circumstances in which such offer or solicitation is not lawful, or authorized. Delivery of this Prospectus to any person or any reproduction of the Prospectus, in whole or in part, without the Company’s consent is prohibited. Persons into whose possession this Prospectus may come are required by the Company and the Manager to inform themselves about, and to observe, all applicable restrictions regarding exercise of rights and subscription of shares. **United States:** The New Shares and the Offer Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state Securities Laws, and may therefore not be offered or sold to U.S. persons as defined in regulations under the U.S. Securities Act.

Canada: None of the New Shares and the Offer Shares have been or will be qualified for sale under the Securities Laws of any province or territory of Canada. The New Shares and the Offer Shares are not being offered and may not be offered or sold, directly or indirectly, in Canada or to or for the account of any resident of Canada in contravention of the Securities Laws of any province or territory thereof.

Special Cautionary Notice Regarding Forward-looking Statements

This Prospectus contains certain statements that are neither reported financial results nor other historical information. Forward-looking statements are statements related to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. These forward-looking statements reflect current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause actual results to differ materially from those expressed in any forward-looking statement. Certain factors that could cause actual results to differ materially from expected results include, among other things, delays in completing the transactions discussed herein, difficulties in achieving benefits for the Group through economies of scale and joint future efforts, and changes in global economic, business, competitive market and regulatory factors, as well as other matters not known to Nordic Mining. Nordic Mining does not intend and disclaims any duty or obligation to update or revise any industry information or forward-looking statements set forth in this document to reflect new information, future events or otherwise.

TABLE OF CONTENTS

1.	SUMMARY	5
1.1	DESCRIPTION OF NORDIC MINING.....	5
1.2	PURPOSE AND BACKGROUND FOR THE PRIVATE PLACEMENT AND THE SUBSEQUENT OFFERING.....	6
1.3	DESCRIPTION OF THE PRIVATE PLACEMENT AND THE SUBSEQUENT OFFERING.....	6
1.4	CONDITIONS AND TIME TABLE FOR THE SUBSEQUENT OFFERING.....	7
1.5	THE LISTING AND ADMISSION TO TRADING.....	8
1.6	EXPENSES IN CONNECTION TO THE SUBSEQUENT OFFERING.....	8
1.7	SUMMARY OF RISK FACTORS	8
1.8	DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES	9
1.9	ADVISORS AND AUDITORS	9
1.10	SUMMARY OF OPERATING AND FINANCIAL INFORMATION	10
1.11	CAPITALISATION AND INDEBTEDNESS.....	13
1.12	MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTION	13
1.13	RESEARCH AND DEVELOPMENT	14
1.14	ADDITIONAL INFORMATION.....	15
2.	RISK FACTORS	16
2.1	GENERAL RISKS	16
2.2	RISK CONNECTED TO EXPLORATION AND DEVELOPMENT OF MINERALS AND METALS	16
2.3	RISKS CONNECTED TO TECHNOLOGICAL DEVELOPMENTS	19
2.4	REGULATORY RISK (NORWAY).....	20
2.5	FOREIGN OPERATIONS	21
2.6	RISK RELATED TO THE SHARES.....	21
3.	STATEMENT OF RESPONSIBILITY	22
3.1	RESPONSIBILITY STATEMENT	22
3.2	THIRD PARTY INFORMATION.....	22
4.	THE PRIVATE PLACEMENT AND LISTING OF NEW SHARES.....	23
4.1	BACKGROUND	23
4.2	THE PRIVATE PLACEMENT	23
5.	THE SUBSEQUENT OFFERING	26
5.1	BACKGROUND FOR THE SUBSEQUENT OFFERING	26
5.2	SHARE CAPITAL FOLLOWING THE SUBSEQUENT OFFERING	26
5.3	OFFER SHARES AND SUBSCRIPTION RIGHTS	27
5.4	SUBSCRIPTION PERIOD IN THE SUBSEQUENT OFFERING.....	28
5.5	SUBSCRIPTION PRICE	28
5.6	SUBSCRIPTION PROCEDURES AND SUBSCRIPTION OFFICES.....	28
5.7	ALLOTMENT	28
5.8	PAYMENT	29
5.9	PUBLICATION OF INFORMATION RELATING TO THE SUBSEQUENT OFFERING	29
5.10	VPS REGISTRATION	29
5.11	DELIVERY OF THE OFFER SHARES	29
5.12	LISTING OF THE OFFER SHARES.....	30
5.13	TRANSFERABILITY OF THE OFFER SHARES.....	30
5.14	SHAREHOLDERS' RIGHTS RELATING TO THE OFFER SHARES	30
5.15	TIMELINESS, VALIDITY, FORM AND ELIGIBILITY OF SUBSCRIPTION	30
5.16	EXPENSES.....	30
5.17	MANAGER AND ADVISORS.....	30
5.18	DILUTIVE EFFECT.....	31
5.19	JURISDICTION AND CHOICE OF LAW	31
6.	PRESENTATION OF NORDIC MINING.....	32
6.1	HISTORY AND DEVELOPMENT.....	32
6.2	INVESTMENTS	32
6.3	BUSINESS OVERVIEW	33
6.4	BUSINESS IDEA, GOALS AND STRATEGY	33
6.5	OVERVIEW MINERALS AND METALS DEPOSITS IN NORDIC MINING	34
6.6	STRATEGIC BUSINESS APPROACH.....	34
7.	MARKET OVERVIEW.....	41

7.1	RECENT TRENDS IN THE MINING INDUSTRY	41
7.2	DESCRIPTION OF DIFFERENT MINERAL RESOURCES.....	41
7.3	OUTLOOK FOR THE GLOBAL MINERAL AND MINING INDUSTRY	42
7.4	THE NORWEGIAN MINING INDUSTRY	42
7.5	NORDIC MINING'S PRINCIPAL MARKETS.....	43
7.6	TITANIUM.....	44
7.7	GARNET.....	49
7.8	LITHIUM	50
7.9	ANORTHOSITE.....	52
8.	ORGANISATIONAL STRUCTURE.....	54
8.1	LEGAL STRUCTURE	54
9.	PROPERTY, PLANTS AND EQUIPMENT.....	55
10.	CAPITAL RESOURCE	57
11.	RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES.....	60
11.1	PATENTS AND LICENSES	60
12.	PROFIT FORECASTS OR ESTIMATES	61
13.	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	62
13.1	BOARD OF DIRECTORS	62
13.2	MANAGEMENT.....	63
13.3	CONFLICTS OF INTERESTS ETC	64
13.4	FRAUDULENT OFFENCE, BANKRUPTCY, INCRIMINATION AND DISQUALIFICATION	65
14.	REMUNERATION AND BENEFITS	66
14.1	BOARD OF DIRECTORS	66
14.2	EXECUTIVE MANAGEMENT	66
14.3	SHAREHOLDINGS AND OPTIONS OF MANAGEMENT AND BOARD OF DIRECTORS	66
14.4	OPTIONS AND INCENTIVE SCHEMES.....	67
14.5	PENSION OBLIGATIONS.....	68
15.	BOARD PRACTICES.....	69
15.1	COMPENSATION FOR TERMINATION	69
15.2	COMMITTEES	69
15.3	CORPORATE GOVERNANCE.....	69
16.	EMPLOYEES	71
16.1	EMPLOYEES AND SERVICE PROVIDERS	71
16.2	BUSINESS SERVICES AGREEMENT WITH DAG DVERGSTEN AS	71
16.3	HIRED CONSULTANTS.....	71
17.	MAJOR SHAREHOLDERS	72
17.1	SHAREHOLDER STRUCTURE.....	72
18.	RELATED PARTY TRANSACTIONS.....	73
19.	FINANCIAL INFORMATION CONCERNING NORDIC MINING'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES.....	74
19.1	SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES	74
19.2	HISTORICAL CONSOLIDATED FINANCIAL INFORMATION.....	74
19.3	INFORMATION ON FINANCIAL CONDITION AND OPERATING RESULTS.....	78
19.4	INTERIM FINANCIAL INFORMATION	80
19.5	DIVIDEND POLICY	80
19.6	LEGAL ARBITRATION PROCEEDINGS.....	80
19.7	SIGNIFICANT CHANGES SINCE 31 DECEMBER 2009.....	80
19.8	SEGMENT INFORMATION	81
19.9	TRENDS	82
19.10	FUNDING AND TREASURY POLICIES AND OBJECTIVE	82

20.	ADDITIONAL INFORMATION.....	83
20.1	THE SHARE CAPITAL.....	83
20.2	MEMORANDUM AND ARTICLES OF ASSOCIATION.....	84
20.3	SHAREHOLDER RIGHTS.....	84
20.4	CORPORATE MATTERS.....	85
20.5	LEGAL AND ARBITRATION PROCEEDINGS.....	85
20.6	SHAREHOLDER MATTERS.....	85
21.	MATERIAL CONTRACTS	90
22.	THIRD PARTY INFORMATION AND STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST.....	91
22.1	STATEMENTS BY EXPERTS.....	91
22.2	THIRD PARTY INFORMATION.....	94
23.	NORWEGIAN TAX.....	95
23.1	NORWEGIAN SHAREHOLDERS.....	95
23.2	NON-RESIDENT SHAREHOLDERS.....	96
23.3	DUTIES ON THE TRANSFER OF SHARES.....	97
23.4	INHERITANCE TAX.....	97
24.	DOCUMENTS ON DISPLAY	98
24.1	INCORPORATED BY REFERENCE.....	98
25.	DEFINITIONS & GLOSSARY TERMS.....	100

APPENDICES

Appendix 1: Articles of Association of Nordic Mining ASA.....	103
Appendix 2: Subscription Form for the Subsequent Offering.....	104

1. SUMMARY

This executive summary should be read as an introduction to the Prospectus and any decision to invest should be based on consideration of the Prospectus as a whole by the investor, including the documents incorporated as reference and the risks of investing in the New Shares and the Offer Shares set out in "Risk Factors". Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff might under the applicable legislation have to bear the costs of translating the Prospectus before the legal proceedings are initiated. No civil liability will attach to the Board of Directors of Nordic Mining in respect to this summary, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

1.1 DESCRIPTION OF NORDIC MINING

1.1.1 Business overview

Nordic Mining ASA (Nordic Mining) is a Norwegian public limited company (ASA) registered on 8 May, 2006 through the demerger of Rocksource's business within exploration of metals and minerals. It is registered in the Norwegian Registry of Business Enterprises with the organisation number: 989796739, subject to Norwegian regulations. The Articles of Association are included in Appendix 1 to this Prospectus. Nordic Mining has its head office at Munkedamsveien 45, NO-0250 OSLO, Norway.

Through the demerger, Nordic Mining received the economic interest in 4 gold concessions in Ecuador. Rocksource and Nordic Mining entered into a technology license agreement that granted Nordic Mining a perpetual global license to all EM- and reservoir management technology, owned or licensed by Rocksource within the mining industry.

Nordic Mining has acquired Exploration Rights to a mineral deposit at Engebøfjellet in Naustdal municipality in Norway. The deposit contains an ore resource estimated to 380 million tons with titanium dioxide (TiO₂) content of 3-5 percent. Nordic Mining was granted concessions for the acquisition from Norwegian authorities in January 2007. The Company has also been granted Exploration Rights for additional TiO₂ containing resources situated at Steinkrossen, close to the Engebø deposit.

Nordic Mining purchased 85 per cent of Gudvangen Stein AS in the Aurland municipality 30 March 2007. The transaction was completed 31 May 2007. Nordic Mining acquired the remaining 15 per cent in June 2009. Gudvangen Stein AS is mining and producing mineral products from its own deposit of anorthosite in Gudvangen.

Nordic Mining completed the acquisition of 68 per cent of the Finnish company Keliber Oy 19 June 2008. Keliber Oy has mining rights and approved plans for mineral extraction and production of lithium carbonate in Kaustinen in the Ostrobothnia region in Finland. The approved plans comprise mining operations as well as processing plant for production of lithium carbonate.

Nordic Mining has several exploration rights for i.a. tungsten, molybdenum, lithium, thorium, palladium, platinum and Rare Earth Elements (REE) in Norway, Finland and Sweden.

The Board of Directors is comprised of Dag Dvergsten (Chairman), Camilla Fiskevoll (Deputy Chairman), Anne Dæhlie and Egil M. Ullebø.

The management team of Nordic Mining is comprised of Ivar S. Fossum (CEO), Lars K. Grøndahl (CFO), Ottar Nakken (Vice President Commercial), Paul I. Norkyn (Vice President Mining Operation) and Mona Schanche (Exploration Manager).

As at the date of this Summary, the Nordic Mining Group has a total of 13 permanent employees. In addition, the Group has an extensive network of advisors in various fields of competence.

All Shares of the Company are of the same class and equal in all respects. Each Share carries the right to one vote in general meetings. The Articles of Association does not provide for limitations on the transferability or ownership of Shares.

The Shares of Nordic Mining are admitted to trading on the Oslo Axess with the ticker NOM with a traded share price of NOK 1.58 and a market capitalisation of approximately NOK 198 million as of 4 March 2010. The following shareholders owned more than 5 per cent of the issued share capital in the Company on 2 March 2010: Dag Dvergsten AS (8,469,145 Shares, 8.06 per cent of the share capital) and Skagen Vekst (7,469,600 Shares, 7.11 per cent of the share capital).

The Company's share register is operated through the VPS. The Company's registrar is DnB NOR Bank ASA. The securities number (ISIN number) for the Company's Shares is NO 0010317340.

The Company's statutory auditor is Ernst & Young AS.

1.2 PURPOSE AND BACKGROUND FOR THE PRIVATE PLACEMENT AND THE SUBSEQUENT OFFERING

The main purpose of the Private Placement is to strengthen the Company's capital resources for the current and future engagements the Company is involved in.

The main purpose of the Subsequent Offering is to enable shareholders in the Company as at 4 February 2010 who were not offered to participate in the Private Placement to subscribe for Shares at the same price as in the Private Placement and to limit dilution from the Private Placement.

The net proceeds from the Private Placement and the Subsequent Offering will be used for the development of the Engebø, Keliber and Gudvangen projects. Specifically, the following activities are planned:

- | | | |
|------------------|---|--|
| Engebø: | - | Follow-up on ongoing permitting process |
| | - | Development of beneficiation process flow sheet |
| | - | Drilling program in open pit area (after clarification of permits) |
| Keliber: | - | Exploration and verification of additional mineable mineral resources |
| | - | Marketing and product development in order to prepare the project commercially |
| Gudvangen Stein: | - | Product and market development for new anorthosite products |

1.3 DESCRIPTION OF THE PRIVATE PLACEMENT AND THE SUBSEQUENT OFFERING

1.3.1 The Private Placement and listing of New Shares issued in connection with the Private Placement

On 5 February 2010 the Company completed a book building process in order to place up to 20,000,000 New Shares. All of the New Shares were allocated through the Private Placement which was directed towards certain existing large shareholders and selected Norwegian and international institutional investors. The Private Placement consisted of 20,000,000 New Shares.

The Board on 5 February 2010 resolved to increase the share capital as described in Section 4.1 based on an authorisation to increase the share capital granted to the Board by the general meeting of the Company held on 15 June 2009.

The share capital increase in connection with the Private Placement was registered in the Norwegian Registry for Business Enterprises on 8 February 2010. 9,547,009 New Shares became immediately tradable on Oslo Axess. The remaining 10,452,991 New Shares are tradable upon the approval of this Prospectus by Oslo Stock Exchange.

The net proceeds from the Private Placement were approximately NOK 18 million and the subscription price was set at NOK 1.00 per Share.

1.3.2 The Subsequent Offering

The Subsequent Offering comprises an offering of up to 10,000,000 Offer Shares, to be issued in accordance with the regulations set forth in the Norwegian Public Limited Companies Act sections 10-1 to 10-13. The Subsequent Offering was resolved by the general meeting of the Company held on 1 March 2010.

The shareholders as at the close of trading on Oslo Axess on 4 February 2010 (as registered in VPS on 9 February 2010) who were not offered to participate in the Private Placement will be given the opportunity to subscribe for Shares at the same price as in the Private Placement in order to limit dilution from the Private Placement. Accordingly, the pre-emptive rights of the shareholders were waived and the Company will issue non-tradable and not listed Subscription Rights to the Eligible Shareholders.

1.3.3 Dilution

The dilutive effect in connection with the Private Placement and the Subsequent Offering will be approximately 24 per cent, assuming full subscription of the Subsequent Offering.

1.4 CONDITIONS AND TIME TABLE FOR THE SUBSEQUENT OFFERING

Below is a brief overview of the terms and timetable for the Subsequent Offering:

Offer Shares	Up to 10,000,000 New Shares
Subscription Price	NOK 1.00 per Offer Share equaling the price in the Private Placement
Record Date	4 February 2010 at the close of trading on Oslo Axess
Subscription Period	From and including 17:30 CET 8 March 2010 to and including 17:30 CET on 22 March 2010
Eligible Shareholders	Shareholders in the Company as at 4 February 2010 (appearing in VPS on 9 February 2010) who were not offered to participate in the Private Placement
Subscription Rights	The Company will issue non-tradable and not listed Subscription Rights. The Eligible Shareholders will receive 1 Subscription Right per 8.0035409 Shares in the Company owned as at the Record Date. One Subscription Right will grant the right to subscribe for one (1) Share
Allocation date	On or about 24 March 2010
Payment date	12:00 CET 26 March 2010
Distribution of allocated Offer Shares	Expected on or about 8 April 2010
Listing of the Offer Shares	Expected on or about 9 April 2010
Ratio (number of subscription rights per Share owned at the Record Date)	0.12494470

Subscriptions for Offer Shares must be made on a Subscription Form in the form attached as Appendix 2 hereto. Accurately completed Subscription Forms must be received by the Manager by 17:30 CET on 22 March 2010. Norwegian subscribers domiciled in Norway can in addition subscribe for shares through www.carnegie.no. The Subsequent Offering is not conditional.

The Board and the Manager may at their sole discretion refuse any improperly completed, delivered or executed Subscription Form or any subscription which may be unlawful. A subscription is irrevocable and may not be withdrawn, cancelled or modified once it has been received by the Manager. Allotment of the Offer Shares is expected to take place on or about 24 March 2010.

The following allocation criteria will be used for allotment of Offer Shares in the Subsequent Offering:

1. Offer Shares shall be allocated on the basis of exercised Subscription Rights;
2. In the event that not all Subscription Rights are used and the Subsequent Offering is over-subscribed, the Shares not allocated based on exercised Subscription Rights (see point 1) may be allocated according to the decision by the Board. However, the standard VPS allocation based on number of subscription rights will most likely be applied.

General information on the number of Offer Shares is expected to be published on or about 25 March 2010 in the form of a stock exchange release through the Oslo Axess' distribution network www.newsweb.no. All Subscribers being allotted Offer Shares will receive a letter from the Manager confirming the number of Offer Shares allotted to the Subscriber and the corresponding amount which will be debited the Subscriber's account. This letter is expected to be mailed on or about 25 March 2010.

Each Subscriber must provide a one-time authorisation to debit a specified bank account with a Norwegian bank for the amount (in NOK) payable for the Offer Shares allotted to such Subscriber by signing the Subscription Form when subscribing for Offer Shares. The amount will be debited 12:00 CET at 26 March 2010. Subscribers not having a Norwegian bank account or Subscribers subscribing for Offer Shares for more than NOK 5,000,000 must ensure that payment for their Offer Shares with cleared funds is made on or before 12:00 CET on 26 March 2010 and should contact the Manager in this respect.

1.5 THE LISTING AND ADMISSION TO TRADING

9,547,009 of the New Shares, corresponding to 9.99 per cent of the outstanding Shares as of 4 February 2010, were listed on 8 February 2010.

Following the publication of this Prospectus, the remaining 10,452,991 New Shares issued in connection with the Private Placement that are not already listed, will be listed and begin trading on Oslo Axess.

The Offer Shares to be issued to subscribers in the Subsequent Offering will be listed on Oslo Axess upon registration of the share capital increase in connection with the Subsequent Offering in the Norwegian Register of Business Enterprises. The Company expects that the Offer Shares will be listed on Oslo Axess on or about 9 April 2010. However, delays may occur due to delayed payment from one or more subscribers.

1.6 EXPENSES IN CONNECTION TO THE SUBSEQUENT OFFERING

Costs attributable to the Private Placement and the Subsequent Offering will be borne by the Company. The total costs excluding the Subsequent Offering amounts to NOK 2 million and total costs assuming that the Subsequent Offering is fully subscribed are expected to be approximately NOK 3 million.

1.7 SUMMARY OF RISK FACTORS

Any investment in shares involves risk. The Company's financial development and the value of the Company's shares may be affected by a number of risk factors, including, but not limited to, market risks, financial risk and operational risk in relation to the exploration and development of minerals/metals and geo-science technological developments. Below is a summary of the most relevant risk factors described in Section 2. Readers of this Prospectus should carefully consider all of the information contained herein and in particular the following factors, which may affect some or all of the Company's activities and which may impact the risk of investing in the Company's Shares. This list is not exhaustive. The actual results of the Company could differ materially from those anticipated as a consequence of many factors, including the summary of risk factors described below and risks described elsewhere in this Prospectus:

- **Risk connected to exploration and development of minerals and metals:**
 - **Market risk:** Market risk include changes in mineral and metal prices which can be affected by a numerous factors, government regulations, political risk and environmental factors. All phases of the Company's operations are subject to environmental regulations in the jurisdictions in which it operates and there is no assurance that future changes in environmental regulations, if any, will not adversely affect the Company's operations.
 - **Operational risk:** Mineral exploration involves a high degree of risk, and few properties that are explored, are ultimately developed into producing mines. The long-term profitability of the Company will in part depend on the cost and success of its exploration programs. There is also considerable uncertainty in estimating the size and value of mineral reserves, thus estimated reserves may be adjusted downward or upward. The minerals and metals industries are also highly competitive in all phases and

the Company has no guarantee that this competition will not have an adverse effect at some point on the Company's ability to acquire, explore and develop its mineral and metals resource deposits. The operations of the Company are subject to project development risk as the projects are in a development phase, and there are production and operating risk.

- **Financial risk:** The development of Nordic Mining's properties will depend upon the Company's ability to obtain financing through equity financing, debt financing, project financing or other means. There is no assurance that Nordic Mining will be successful in obtaining the required financing.
- **Risk connected to technological developments:** The Company's current use of EM-technology is associated with a number of uncertainties related to resolution, subsurface, geological complexity, modeling algorithms and more. Further, the Company is generally dependent on its ability to keep pace with technological changes and improvements in data acquisition and processing technologies.
- **Regulatory risks:** The current and future operation of the Company will, from time to time, require permits from governmental authorities and will be governed by laws and regulations regarding prospecting, development, mining, taxation, employment standards, occupational health, waste disposal, land use, environmental protection, mine safety and other matters. There is no assurance that Nordic Mining will be successful in obtaining such permits, licenses and approvals.
- **Foreign operations:** The Company has licenses, exploration and/or developments projects abroad, primarily in Sweden and Finland, which expose the Company's activities to varying degrees of political and economic risk and other risks and uncertainties. These risks vary from country to country and include among others hyperinflation, fluctuations in currency exchange rates, labour unrest, terrorist activities and changing political conditions.
- **Risk related to the shares** include share price fluctuations in response to quarterly variations, general economic outlook, interest rate changes and adverse business developments. Accordingly, the market price of the shares may not always reflect the underlying value of the Nordic Mining's net assets, and the price at which investors may dispose of their Shares at any point in time may be influenced by a number of factors, of which some are outside Nordic Mining's control.

1.8 DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

1.8.1 Board of Directors

The Board of the Company consists of Dag Dvergsten (Chairman), Camilla Fiskevoll (Deputy Chairman), Egil Martin Ullebø and Anne Dæhlie.

1.8.2 Management

The Company's executive management consists of Ivar S. Fossum (CEO), Lars K. Grøndahl (CFO), Ottar Nakken (Vice President Commercial), Paul I. Norkyn (Vice President Mining Operation) and Mona Schanche (Exploration Manager).

1.8.3 Employees

As of the date of this Prospectus, Nordic Mining Group has 13 employees, of which 7 are employed in Gudvangen Stein and 1 in Keliber.

1.9 ADVISORS AND AUDITORS

1.9.1 Manager

The Private Placement was managed by Carnegie ASA. Carnegie ASA is also manager for the Subsequent Offering.

1.9.2 Legal advisor

Kvale Advokatfirma DA has acted as Nordic Mining's legal counsel in connection with the Private Placement and the Subsequent Offering.

1.9.3 Independent auditor

The Company's independent auditor is Ernst & Young AS. For further information, please refer to Section 4.2.10 in this Prospectus.

1.10 SUMMARY OF OPERATING AND FINANCIAL INFORMATION

The selected financial information set forth in this Prospectus should be read in conjunction with the financial statements and the notes to those statements which can be found on the Company's webpage, www.nordicmining.com.

1.10.1 Consolidated income statements

The following table shows the consolidated income statements for Nordic Mining for the period ended 31 December 2009, 2008, 2007 and 2006 and for the fourth quarter ended 31 December 2009 and 2008. There is no complete annual report for 2006 due to the registration of Nordic Mining at 8 May 2006.

Consolidated income statement

	2009 01.10-31.12 Unaudited	2008 01.10-31.12 Unaudited	2009 01.01-31.12 Unaudited	2008 01.01-31.12 Audited	2007 01.01-31.12 Audited	2006 08.05-31.12 Audited
<i>(Amounts in NOK thousands)</i>						
Sales	5,277	5,744	20,269	17,794	12,105	-
Other income	100	80	35	220	466	7,500
Cost of sales	(1,788)	19	(6,412)	(1,401)	(3,477)	-
Payroll and related costs	(2,702)	(4,132)	(12,738)	(11,804)	(5,375)	-
Office costs and business service fee	(670)	(1,997)	(2,896)	(4,010)	(10,715)	(5,166)
Share-based payment	-	-	-	(1,273)	(2,956)	(844)
DD&A	(783)	(894)	(2,899)	(4,025)	(2,588)	-
Impairment assets	(2,100)	(7,000)	(2,100)	(13,300)	-	-
Other operating expenses	(4,603)	(9,686)	(20,668)	(24,113)	(17,745)	(7,386)
Operating profit/(loss)	(7,269)	(17,866)	(27,409)	(41,912)	(30,285)	(5,896)
Financial income	(200)	2,269	2,183	3,758	1,448	225
Financial costs	(584)	(1,635)	(2,898)	(3,990)	(2,449)	(149)
Profit/(loss) before tax	(8,053)	(17,232)	(28,124)	(42,143)	(38,556)	(5,820)
Income Tax	1,066	(678)	1,066	(678)	5,074	-
Net profit/(loss)	(6,987)	(17,910)	(27,058)	(42,821)	(33,482)	(5,820)
Profit/(loss) attributable to						
Equity holders of parent	(6,921)	(17,766)	(26,645)	(42,570)	(33,482)	(5,820)
Minority interest	(67)	(144)	(414)	(251)	-	-
Earnings per share attributable to ordinary shareholders						
<i>(Amounts in NOK)</i>						
Basic and diluted earnings per share	(0.07)	(0.19)	(0.28)	(0.55)	(0.75)	(0.37)

1.10.2 Consolidated balance sheet

The following table shows the consolidated balance sheets for Nordic Mining for the period ended 31 December 2009, 2008, 2007 and 2006. Note that the numbers for 2009 are unaudited.

CONSOLIDATED BALANCE SHEET

<i>(Amounts in NOK thousands)</i>	2009 31 December Unaudited	2008 31 December Audited	2007 31 December Audited	2006 31 December Audited
ASSETS				
Non-current assets				
Goodwill	7,727	9,729	-	-
Licences	3,596	3,196	3,196	-
Minerals, property, plant and equipment	69,277	85,129	47,622	-
Shares	85	85	85	-
Total non-current assets	80,685	98,139	50,903	-
Current Assets				
Inventory	1,945	2,495	1,291	-
Trade and other receivables	6,710	5,150	4,877	2,280
Cash and cash equivalents	7,782	39,772	23,692	101,499
Total current assets	16,437	47,417	29,860	103,779
Total assets	97,122	145,556	80,762	103,779
SHAREHOLDERS' EQUITY & LIABILITIES				
Shareholders' equity				
Share capital	9,547	9,547	5,348	2,872
Share premium	129,484	129,484	75,881	21,251
Other paid-in capital	5,304	5,304	4,031	844
Retained losses	(108,517)	(81,872)	(39,302)	(5,820)
Translation adjustment	910	5,101	-	-
Equity attributable to ordinary shareholders	36,728	67,564	45,958	19,147
Non-controlling interest	8,792	10,897	-	-
Total equity	45,520	78,461	45,958	19,147
Non-current liabilities				
Interestbearing loan	8,364	8,417	4,865	-
Deferred tax	9,998	12,995	-	-
Lease obligations	9,933	10,459	9,759	-
Other liabilities	7,878	15,752	7,432	-
Total non-current liabilities	36,173	47,623	22,056	-
Current liabilities				
Current portion of long-term debt	2,420	2,761	3,726	-
Trade Payables	6,014	3,450	3,025	3,148
Other current liabilities	6,995	13,261	5,997	81,484
Total current liabilities	15,429	19,472	12,748	84,632
Total liabilities	51,602	67,095	34,804	84,632
Total shareholders' equity and liabilities	97,122	145,556	80,762	103,779

1.10.3 Cash flow statement

The following table shows the consolidated cash flow statements for Nordic Mining for the period ended 31 December 2009, 2008, 2007 and 2006.

Consolidated cash flow statement

	2009	2008	2007	2006
	01.01-31.12	01.01-31.12	01.01-31.12	08.05-31.12
(Amounts in NOK thousands)	Unaudited	Audited	Audited	Audited
Net cash used in operating activities	(24,049)	(21,243)	(24,181)	(2,898)
Purchases of property, plant & equipment	(520)	(794)	(1,210)	-
Purchases of intangible assets	(400)	-	(3,196)	-
Transfer from/(to) restricted cash	-	-	2,541	(10,000)
Business acquisition	-	(8,627)	(15,411)	-
Net cash used in investing activities	(920)	(9,421)	(17,276)	(10,000)
Cash contributed at demerger	-	-	-	10,000
Share issuance	-	49,993	57,106	14,123
Payments of loans	(6,831)	(6,923)	(920)	-
Payment of overdraft facility	-	(2,995)	201	-
Proceeds from new loans	-	10,000	-	-
Payment of contingent liability	(350)	-	-	-
Transaction costs on bond loan	-	-	-	(950)
Principal payments on finance leases	(120)	(2,085)	(1,514)	-
Net cash from financing activities	(7,301)	47,990	54,873	23,173
Net change in cash and cash equivalents	(32,270)	17,326	13,417	10,275
Effect of changes in foreign exchange rates	280	(1,245)	-	-
Cash and cash equivalents at beginning of period	39,772	23,692	10,275	-
Cash and cash equivalents at end of period	7,782	39,772	23,692	10,275
Non-cash transaction:				
Change in lease obligation	716	(2,294)	-	-

1.10.4 Significant changes after 31 December 2009

The Engebø project

In January 2010, Nordic Mining signed a cooperation agreement with the Dutch company Arcadis Nederland BV with the purpose to test eclogite (and anorthosite) as stone meal for soil conditioning in agriculture.

In February 2010, Nordic Mining signed an agreement with a leading, international producer of industrial minerals related to technical and commercial development of garnet products from Engebø. On the technical side the cooperation will include i.a. testing, product analysis and process design for an optimal beneficiation process for high quality garnet. Subject to a successful development of the Engebø project, the parties intend to enter into exclusive commercial relations for sales and distribution of garnet from Engebø.

On behalf of Nordic Mining, the technology company Outotec (USA) Inc. has carried out laboratory studies on recovery of rutile and garnet from the Engebøfjellet eclogite ore. The studies have focused on initial stage separation and classification, including high intensity magnetic separation. The studies are part of the development program towards a process scheme for pilot plant production and final flow sheet for the Engebø project. The studies, which were reported in February 2010, show that an overall recovery rate of rutile above 60% is realistic. The study also suggests new process alternatives that may exclude the use of flotation cells, which will reduce usage of flotation agents and cost of production.

Share capital

In February 2010, Nordic Mining completed the Private Placement towards large existing shareholders and selected Norwegian and international institutional investors. Gross proceeds from the issue were NOK 20.0 million. The number of shares in the Company was increased from 95,470,091 to 115,470,091. The price in the Private Placement was set at NOK 1.00 per share.

Financing

In 2010, Gudvangen Stein AS has agreed an extension of the period with exempt from repayment on its interestbearing bank loan of NOK 9.3 million. The exempt period is extended to January 2011.

Extraordinary general meeting

On 1 March 2010 an extraordinary general meeting was held in Nordic Mining. The extraordinary general meeting among other resolved the Subsequent Offering towards the shareholders as of 4 February 2010 who were not invited to participate in the Private Placement. These shareholders are entitled to subscribe up to a total of 10,000,000 new shares at a subscription price of NOK 1.00 per share (total gross proceeds up to NOK 10.0 million).

Except from the abovementioned, the Company is not aware of any significant changes in the financial or trading position of the Group which has occurred since the end of 2009.

1.10.5 Trends

The Company has not experienced any significant changes or trends in production, sales and inventory, and costs and selling prices since the end of December 2009 or for the financial year 2010 as at the date of this Prospectus.

1.11 CAPITALISATION AND INDEBTEDNESS

As of 31 December 2009 the Group had NOK 7.8 million in cash and NOK 9.3 million in interest bearing debt. A more extensive description of the capitalization and indebtedness can be found in Section 10.

1.12 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTION

1.12.1 Major shareholders

A summary of the Company's 20 largest shareholders as of 2 March 2010 is set out below.

	Name of Shareholder	Country	Number of Shares	Percentage (%)
1	DAG DVERGSTEN AS	NOR	8,469,145	8.06
2	SKAGEN VEKST	NOR	7,469,600	7.11
3	JPMORGAN CHASE BANK	GBR	5,011,946	4.77
4	HOLBERG NORGE	NOR	3,600,000	3.43
5	DYBVAD CONSULTING AS	NOR	2,880,788	2.74
6	MP PENSJON	NOR	2,869,600	2.73
7	FINNISH INDUSTRY INVESTMENT LTD	FIN	2,827,009	2.69
8	SOLON AS	NOR	2,242,333	2.14
9	GRINDAHL	NOR	2,149,851	2.05
10	SNATI AS	NOR	1,894,874	1.80
11	DNO INVEST AS	NOR	1,806,442	1.72
12	DYBVAD AUDSTEIN	NOR	1,566,984	1.49
13	HANSEN REIDAR JARL	NOR	1,126,237	1.07
14	REMØE SVEND OTTO	NOR	1,040,000	0.99
15	JULIMAR AS	SWE	1,020,000	0.97
16	NAKKEN OTTAR	NOR	972,851	0.93
17	NORDNET BANK AB	SWE	866,229	0.82
18	OVE KLUNGLAND HOLDING AS	NOR	804,021	0.77
19	PROLOG AS	NOR	797,626	0.76
20	JONNY HESTHAMMER AS	NOR	764,508	0.73
	Total 20 largest shareholders		50,180,044	47.78%
	Others		54,837,056	52.22%
	Total number of shares		105,017,100	100%

As of 2 March 2010, the Company had 2,620 shareholders. 108 shareholders, owning a total of 19.2 per cent of the Shares outstanding, are registered in VPS with address outside Norway.

1.12.2 Related party transactions

During the period covered by the historical financial information included in this Prospectus, Nordic Mining has entered into the following related party transactions:

2009 and up to the date of this Prospectus

The Company's business services agreement with Dag Dvergsten AS has been continued into 2010 and the agreement is in place as per the date of this Prospectus.

The Company had a business service agreement with Dag Dvergsten AS for i.a. office rental and administrative support functions in 2009, as further described in Section 16.2. Nordic Mining purchased services according to the business service agreement for NOK 2.9 million from Dag Dvergsten AS in the period 1 January to 31 December 2009.

2008

In 2008, the Company recorded expenses of NOK 4.0 million for administrative and office services according to the agreement with Dag Dvergsten AS. The Company also had a consulting agreement with Board member at that time, Per Havdal. The agreement had a limited scope (a maximum fee of NOK 140,000 and one year duration). Consultancy fee for services executed in 2007 was paid and reported as salary in 2008.

2007

The management agreement with Dag Dvergsten AS from 2006 was terminated on 1 July 2007, and the Company paid a termination fee of NOK 2.5 million, including VAT. In 2007, the Company recorded a management fee expense of NOK 10.7 million. Additionally, the income statement included a charge of NOK 1.5 million related to a modification of options granted at that time to Dag Dvergsten AS. The management agreement included all management functions and daily administrative functions of Nordic Mining ASA until 30 June 2007. For the second half of 2007, the agreement with Dag Dvergsten AS only covered certain administrative functions and office services.

In 2007, the Company had a consulting agreement with Board member at that time Per Havdal. The agreement had a limited scope (a maximum fee of NOK 140,000 and one year duration).

2006

The Company entered into a management agreement with Dag Dvergsten AS, a major shareholder of the Company. The CEO, CFO and Executive Vice-President were in-sourced through this agreement. Total costs related to the agreement in 2006 were NOK 5.2 million. Dag Dvergsten AS provided strategic and financial assistance to the Company, directly and through its business network. The management fee covered general management and business development, day-to-day administration as well as coordination of financing and investor relations and office costs. Total costs including salary, social cost, pension cost and additional benefits in the period for CEO and CFO were NOK 1.3 million (recognised for 6 months period) and NOK 1.6 million (recognised for 9 months period), respectively.

During 2006, the Company also entered into consulting agreements with the board members at that time Per Havdal and Ottar Nakken, and Strategy House AS, a limited company controlled by Bernhard Mellbye, the former Chairman of the Board. The Company recognised an expense of NOK 1 million related to these consulting agreements during 2006.

The above mentioned transactions are/were based on the principle of "arms length" pricing.

1.13 RESEARCH AND DEVELOPMENT

The Company has had limited capitalised investments in 2009. The main investments are various production equipment in Gudvangen Stein. The Company also paid the second installment to the former shareholders of Keliber Oy in accordance with the acquisition agreement from 2008.

In the demerger from Rocksource ASA in 2006, the Company was granted a licence to use the EM-technology of Rocksource AS for mineral prospecting on the terms and conditions of the technology licence agreement entered into between Rocksource AS and the Company.

1.14 ADDITIONAL INFORMATION

1.14.1 Share capital and shareholder matters

The Company is registered as a Norwegian Public Limited Company with organisation number NO 989 796 739.

The Company's share capital subsequent to the listing of all the Shares issued in connection with the Private Placement is NOK 11,547,009.10 divided into 115,470,091 Shares, each with a par value of NOK 0.10. The Company has one class of Shares which are equal in all respects.

See Section 20 for a further description of the Company's share capital and shareholder matters.

1.14.2 Articles of Association

The Articles of Association are included as Appendix 1 to this Prospectus.

According to its Articles of Association:

- “the object of the Company is to carry on exploration for coal, minerals and ores, mining activity, technology development, activities that may be associated herewith, and participation in other companies anywhere in the world.”
- The Company has only one class of shares.
- The Board shall consist of 3 to 8 members.

1.14.3 Documents on display

For the life of the Prospectus, the Company's annual reports for 2006, 2007, 2008, the Q4 report for 2009, the Articles of Association (or copies thereof where applicable) and the expert reports on Engebø, Gudvangen Stein and Lântta may be inspected during usual business hours at the offices of the Company at Munkedamsveien 45, Entrance A, N-0250 Oslo, Norway. The documents are also available on the Company's webpage (www.nordicmining.com).

1.14.4 Third party statements

Information contained in this Prospectus which has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

2. RISK FACTORS

Before investing in the Company, investors should carefully consider all of the information contained in this Prospectus, and in particular the following risk factors, which may affect some or all of the Company's activities, the industry in which it operates and the securities being offered. The risk factors described below are not the only ones that will be faced by the Company. Other risks and uncertainties, including those not currently considered material by the Company's management, may impair the Company's business. The risk factors discussed below may materially adversely affect the business, financial condition, operating results or cash flow of the Company. The order in which risk factors appear is not intended as an indication of the relative weight or importance thereof. Such information is presented as of the date hereof and is subject to change without notice. An investment in the Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or a part of the investment. Such information is presented as of the date hereof and is subject to change, completion or amendment without notice.

2.1 GENERAL RISKS

The Company's risk profile will be dependent on developments in the main areas of activity in which it is involved. The Company's main interests are in:

- Exploration, extraction and processing of minerals and metals.
- Technological developments of geophysical exploration methods.

The risks discussed below are divided into the areas in which the Company will operate.

2.1.1 Share price volatility

The price of the Company's Shares may be highly volatile. In addition, the stock markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities, which may be unrelated to company specific operating performance or prospects. Furthermore, the Company's operating results and prospects may from time to time be below the expectations of market analysts and investors. Any of these events could result in a material decline in the price of the Shares.

The market price of the Shares could also decline due to sales of a large number of Shares in the Company in the market or the perception that such sales could occur. Such sales could also make it more difficult for the Company to offer equity securities in the future at a price that is deemed appropriate.

2.1.2 Macro economic fluctuations

The Company is exposed to the economic cycle, and changes in the general economic situation could affect demand for the Company's products and services. Market conditions may affect the Shares regardless of the Company's operating performance or the overall performance of the mineral exploration and development sector. Accordingly, the market price of the Shares may not reflect the underlying value of the Company's net assets, and the price at which investors may dispose of their Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Company while others of which may be outside the Company's control.

2.2 RISK CONNECTED TO EXPLORATION AND DEVELOPMENT OF MINERALS AND METALS

2.2.1 General

The Company's prospects, which are in the exploration stage, will only be developed if the exploration is successful. Mineral exploration involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The long-term profitability of the Company will in part depend on the cost and success of its exploration programs.

Substantial expenditures are required to establish mineral reserves through exploration in order to eventually develop the resources and later extract the established resource. Although substantial benefits may be derived from the discovery of a major mineral resource, no assurance can be given that the resources discovered will be of sufficient size, have a beneficial location, and be amenable to processing in order for the deposit to justify commercial and profitable operations.

2.2.2 Market risk

Minerals and metal prices

The Company has no control over mineral or metal prices, which can be affected by numerous factors including international economic and political trends, inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased or decreased production due to changes in extraction and production methods. The effect of these factors on the price of precious and base minerals and metals, and therefore the future economic viability of any of the Company's exploration projects, cannot be accurately predicted.

Government regulations

The future operations of the Company will, from time to time, require permits from governmental authorities and will be governed by laws and regulations regarding prospecting, development, mining, taxation, employment standards, occupational health, waste disposal, land use, environmental protection, mine safety and other matters. The Company may in the future need to apply for permits from different authorities. Companies engaged in the exploration and development of resource properties can experience increased costs as a result of the need to comply with applicable laws, regulations and permits as they change in the future, see also Section 2.4 and 2.5.

Political risk

The operation of the Company is subject to local laws governing prospecting, development, production, taxes, national ownership restrictions, land use, land claims of local people and other matters. Although the Company believes that its exploration and development activities are currently carried out in accordance with all applicable laws, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development. Several of the regulatory approvals, planning regulations, licences etc outlined in Section 2.4 below may be rejected, in full or in part based on political grounds.

Environmental factors

All phases of the Company's operations are subject to environmental regulations in the jurisdictions in which it operates. Environmental legislation may evolve in a manner, which in the future may require stricter regulations, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There are no assurances that future changes in environmental regulations, if any, will not adversely affect the Company's operations. Compliance with respect to environmental regulations, closure and other matters may involve significant costs and/or other liabilities. Non Governmental Organizations generally being against mining may also from time to time criticize the Company's operations and development plans. In particular, but not limited to, environmental groups may mobilize against exploitation of thorium.

2.2.3 Operational risk

Exploration risks

The Company's existing activities are primarily directed towards exploration for and development of mineral deposits. Mining operations generally involve a high degree of risk.

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of mineral deposits. These include, rock bursts, cave-ins, adverse weather conditions, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk are and will be taken, operations are subject to risks which may result in environmental pollution and possible liability.

The exploration for and development of mineral deposits, involve significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, commodity prices which are highly cyclical, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The Company's projects are in the early stages. Expenditures made by the Company or initial drilling results are no guarantee for further developments or discoveries of profitable commercial mining operations. Lack of availability of drilling rigs could cause increased project expenditures and /or project delays.

Permits and licenses

The Company holds exploration rights and mining rights primarily in Norway, Sweden and Finland. Some of these licenses are subject to certain conditions. The Company has no reason to expect that the conditions will not be fulfilled, however, the Company has no guarantee that such conditions will be fulfilled or that all necessary permits will be granted for specific projects.

Risk for inaccurate estimates

There are considerable uncertainty factors in estimating the size and value of mineral reserves. The reservoir technique is a subjective and inexact process where the estimation of the accumulation of mineral/metals reserves in the property cannot be accurately measured. In order to evaluate the recoverable reserves, a number of geological, geophysical, technical and production data must be evaluated. The evaluation may later prove to be inaccurate, and estimated reserves may therefore be adjusted downward or upward.

Competition

The minerals and metals industries are highly competitive in all phases and the Company will be competing with many established companies, which may have more advantageous financial and technical resources. The Company has no guarantee that this competition will not have an adverse effect either now, or at some time in the future, on the Company's ability to acquire, explore, and develop its mineral and metals resource deposits.

The mining industry is a global business with producers in several different countries. There is strong competition for the discovery and acquisition of properties considered to have commercial potential. Nordic Mining competes with other mining companies, many of which have greater financial resources than Nordic Mining, for the acquisition of properties, leases and other interests as well as for the recruitment and retention of skilled personnel. Such factors may influence Nordic Mining's ability to secure new exploration areas or recruit and retain staff.

Dependence on key personnel

Nordic Mining's development and prospects are dependent upon the continued services and performance of its senior management and other key personnel and consultants. Financial difficulties or other factors could adversely affect the Company's ability to retain key employees.

Uninsured losses

Nordic Mining's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, snow falls and avalanches. Such occurrences could have a material adverse effect on the Company's business, operating result or financial condition. Although the Company intends to obtain some insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with a mining company's operations.

Project development risk

Nordic Mining's projects at Engebø and in Keliber are in a developing phase. Final geological resource estimation including classification and evaluation of mineability, ore grade and operating mining costs remains to be executed. Also capital expenditures, processing costs and other financial and non-financial aspects of feasibility remain to be executed. There are risks related to and implied for all these project development aspects. Nordic Mining plans to execute various feasibility studies with assistance from third party experts. This is expected to clarify and possibly reduce parts of the project development risks.

Production and operating risk

Mining operations and mineral processing, such as the Gudvangen anorthosite operation and the planned operations at Engebø and in Keliber, generally involve a high degree of risk. Examples of risks are unexpected geological formations and mine failures, risks related to explosives and removal of material, as well as damage to life, equipment and property. Damage of infrastructure, i.a. roads, supply of electricity or shipping facilities, may seriously impact feasibility and profitability of the operation. Availability of production equipment and spare parts, skilled personell, and possible delays in supplies of critical resources for production may impact operating costs, capital expenditures and production output. These and several other operating aspects involve considerable risk.

2.2.4 Financial risk

Requirement for new capital

The development of the Company's properties, licenses and exploration rights will depend upon the Company's ability to obtain financing through equity financing, debt financing, project financing or other means. There is no assurance that the Company will be successful in obtaining the required financing. Any additional equity financing may be dilutive to existing shareholders and debt financing, if available, may involve restrictions on financing operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, or delay or indefinitely postpone exploration, development or production on any or all of the Company's projects.

Currency risk

Currency fluctuations will affect the cash flow that the Company will realize from its operations.

2.3 RISKS CONNECTED TO TECHNOLOGICAL DEVELOPMENTS

The EM-technology

The EM-technology is a tool for reservoir modelling and simulation, and is based on a fundamental understanding of how rocks are deposited (sequence stratigraphy) and deformed (structural geology). By combining this knowledge with available seismic data, it is possible to build digital models that describe the geometry and properties of subsurface reservoirs. This allows for a sound delineation of the limits of potential reservoir rocks. Furthermore, simulations can be run based on the models in order to establish the best drainage strategy for hydrocarbons contained in the reservoirs. The modelling approach is considered to have significant potential for use in the mining industry.

Risk connected with the development of the EM technology

Current use of EM-technology is associated with a number of uncertainties related to resolution, subsurface geological complexity, modelling algorithms and more. Better control of the uncertainty parameters requires inter-disciplinary research to understand the complexity of the method combined with suitable modelling algorithms to understand and interpret the recorded data. There is significant business potential in exploration and production related to development of software that can allow for (a) storing data, (b) processing data and (c) interpreting data based on the best inter-disciplinary knowledge available. However, there are risks connected with the successful development of the new and improved electromagnetic method, hereunder software.

Risk for technological change

The Company's ability to compete is highly dependent upon, among other things, its ability to utilize geo-related services and data of a competitive quality. Because of the significant technological changes that have already taken place, for instance with respect to 3D and 4D seismic data acquisition and processing and those that may occur in the future, the Company is generally dependent on its ability to keep pace with changes and improvements in data acquisition and processing technologies.

2.4 REGULATORY RISK (NORWAY)

General

The future operations of the Company will, from time to time, require permits from governmental authorities and will be governed by laws and regulations regarding prospecting, development, mining, taxation, employment standards, occupational health, waste disposal, land use, environmental protection, mine safety and other matters.

Risk connected to Exploration Rights

The Norwegian Mineral Act of 2009 sets out a distinction between Exploration Right and Production Right. Nordic Mining has several Exploration Rights. Exploration Rights does not provide for mining operations as such. In order to initiate mining operations, Nordic Mining will have to obtain Production Rights with regard to the Exploration Rights. The basis for applying for a Production Right is that one has one or more Exploration Rights where there is a deposit consisting of claimable minerals which presumably is or will be feasible to mine with a positive economic outcome within a relevant timescale.

Protection of Sami interests

Due to the protection of Sami interests, special regulations pertain to companies operating in the county of Finnmark in Norway. Protection of Sami interest may have negative impact on the Company's current and future operations in this area.

Risk of not obtaining operational licenses

According to the Norwegian Mineral Act of 2009, an enterprise which holds a Production Right is obliged to obtain an operational license before carrying out large scale mining operations in that Production Right. No assurances can be given that the Company will be granted such operational licenses.

Risk relating to maintenance of Exploration Rights

According to the Norwegian Mineral Act of 2009, an enterprise which holds an Exploration Right is obliged to apply for a Production Right within seven years as from the date of issue of the Exploration Right. The seven year time-limit may be prolonged with three years.

Planning regulations

According to the Norwegian Planning and Building Act of 1985, it will regularly be required to obtain a municipal permission before work which substantially affects the terrain can be carried out. Further, in certain situations it will be necessary to make changes in, or to prepare new, planning regulations, for the relevant area. No assurances can be given in relation to the granting of such permissions, adoption of, or the existence of, planning regulations facilitating the current or future operations of the Company.

Risk of not obtaining discharge permit

As a main rule, mining operations in Norway will require a discharge permit in accordance with the Norwegian Pollution Act of 1981. No assurances can be given that the Company will be granted discharge permits for one or several of its mineral deposits.

Preservation of natural resources

The Norwegian Act on the preservation of the diversity of nature of 2009 may set limits with regard to the current or future activities of the Company activities, e.g. due to preservation of cultural monuments.

Use of motorised machinery

The current and future exploration and mining operations of the Company will require use of motorised machinery and motor vehicles in outlying fields. Restrictions on use of motorised machinery and motor vehicles may have negative impact on the current or future operations of the Company.

2.5 FOREIGN OPERATIONS

The Company has licenses, exploration and/ or development projects abroad, primarily in Sweden and Finland. Therefore the Company's activities are exposed to varying degrees of political and economic risk and other risks and uncertainties.

These risks and uncertainties vary from country to country and include, but are not limited to: Extreme fluctuations in currency exchange rates; hyperinflation; labour unrest; terrorist activities; risk of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes in exploration, mining or investment policies or shifts in political attitude could materially adversely impact the Company's financial results. The Company's operations may be affected in varying degrees by government regulations with respect to, for example, restrictions on exploration, development, processing, production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

2.6 RISK RELATED TO THE SHARES

Volatility of the share price

The trading price of the Shares could fluctuate significantly in response to quarterly variations in operating results, general economic outlook, adverse business developments, interest rate changes, changes in financial estimates by securities analysts, matters announced in respect of commodity prices or competitors or changes to the regulatory environment in which Nordic Mining operates.

Market conditions may affect the Shares regardless of Nordic Mining's operating performance or the overall performance of the mineral exploration and development sector. Accordingly, the market price of the Shares may not reflect the underlying value of the Nordic Mining's net assets, and the price at which investors may dispose of their Shares at any point in time may be influenced by a number of factors, only some of which may pertain to Nordic Mining while others of which may be outside Nordic Mining's control.

The market price of the Shares could decline due to sales of a large number of Shares in the Company in the market or the perception that such sales could occur. Such sales could also make it more difficult for the Company to offer equity securities in the future at a time and at a price that are deemed appropriate.

Shareholders may be diluted if they are unable to participate in future offerings

The development of the Company's properties, licenses and exploration rights will, inter alia, depend upon the Company's ability to obtain financing through equity financing. Shareholders may be unable to participate in future offerings, due to misapplication of shareholders pre-emptive rights in order to raise equity on short notice in the investor market, or for reasons relating to foreign securities laws or other factors. Unless otherwise resolved by the general meeting or the Board by proxy, shareholders in Norwegian public companies such as the Company have pre-emptive rights proportionate to the aggregate amount of the shares they hold with respect to new shares being issued by the Company.

3. STATEMENT OF RESPONSIBILITY

3.1 RESPONSIBILITY STATEMENT

The members of the Board of Directors of Nordic Mining confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 5 March 2010

The Board of Directors of Nordic Mining ASA

Dag Dvergsten
(Chairman)

Camilla Fiskevoll

Egil Martin Ullebø

Anne Dæhlie

3.2 THIRD PARTY INFORMATION

The information in this Prospectus that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

4. THE PRIVATE PLACEMENT AND LISTING OF NEW SHARES

4.1 BACKGROUND

The Board of the Company on 5 February 2010 resolved a Private Placement of 20,000,000 shares directed towards existing large shareholders and selected Norwegian and international institutional investors. The subscription price was set through a book building process at NOK 1.00 per Share. The Shares were issued on 8 February 2010 through the registration of the share capital increase with the Norwegian Registry for Business Enterprises.

The decision by the Board to conduct the Private Placement was based on an authorization to increase the share capital granted to the Board by the Company's annual general meeting in 2009.

The main purpose of the Private Placement is to strengthen the Company's capital resources for the current and future engagements the Company is involved in. The net proceeds from the Private Placement will be used for the development of the Engebø, Keliber and Gudvangen projects. Specifically, the following activities are planned:

Engebø:	-	Follow-up on ongoing permitting process
	-	Development of beneficiation process flow sheet
	-	Drilling program in open pit area (after clarification of permits)
Keliber:	-	Exploration and verification of additional mineable mineral resources
	-	Marketing and product development in order to prepare the project commercially
Gudvangen Stein:	-	Product and market development for new anorthosite products

The gross proceeds from the Private Placement were NOK 20 million. In addition, the proceeds from the Subsequent Offering may as a maximum amount to NOK 10 million. The costs and expenses in connection with the Private Placement and the Subsequent Offering will be covered by the Company, and are estimated to be NOK 3 million.

Net proceeds from the Private Placement were approximately NOK 18 million, and provided full subscription in the Subsequent Offering, the net proceeds from the Private Placement and the Subsequent Offering will be approximately NOK 27 million.

No expenses or taxes were charged to the subscribers in the Private Placement by Nordic Mining or the Manager.

4.2 THE PRIVATE PLACEMENT

4.2.1 Overview of the Private Placement

The Private Placement

The Board on 5 February 2010 passed the following resolutions:

"The Company's share capital is increased on the following terms and conditions:

- 1. The share capital is increased with NOK 954,700.90 through the issue of 9,547,009 shares.*
- 2. The nominal value of each share is NOK 0.10.*
- 3. The subscription price is NOK 1.00 per share.*
- 4. The shareholders preferential right to subscribe shares is waived. The shares are subscribed for by Carnegie ASA. Over-subscription is not allowed.*
- 5. The shares are subscribed for in these minutes.*
- 6. The share contribution shall be paid immediately to an account designated by the Company.*
- 7. The new shares are entitled to dividend as of the date of the registration of the share capital increase with the Registry of Business Enterprises."*

and

"The Company's share capital is increased on the following terms and conditions:

- 1. The share capital is increased with NOK 1,045,299.10 through the issue of 10,452,991 shares.*
- 2. The nominal value of each share is NOK 0.10.*
- 3. The subscription price is NOK 1.00 per share.*
- 4. The shareholders preferential right to subscribe shares is waived. The shares are subscribed for by Carnegie ASA. Over-subscription is not allowed.*
- 5. The shares are subscribed for in these minutes.*
- 6. The share contribution shall be paid immediately to an account designated by the Company.*
- 7. The new shares are entitled to dividend as of the date of the registration of the share capital increase with the Registry of Business Enterprises."*

In the Private Placement Shares were offered to certain existing large shareholders and selected Norwegian and international institutional investors, and was subject to a lower limit per application of EUR 50,000. The subscription price was set at NOK 1.00 per Share through a book building process. The application period took place on the 4 February 2010.

A total of 20,000,000 Shares were subscribed for and subsequently allocated under the Private Placement. The Private Placement was subject to the Board resolving to issue the new Shares. All applications were irrevocable. The subscription price was determined by the Board when resolving to issue the Shares.

The Board resolved to set the subscription price in the Private Placement at NOK 1.00 per Share and carry out the Private Placement on 5 February 2010. The subscribers in the Private Placement were notified of the allocation and given payment instructions the same day.

Share capital after the completion of the Private Placement

The Company's share capital after the completion of the Private Placement is NOK 11,547,009.10 divided into 115,470,091 Shares, each with a par value of NOK 0.10. The share capital increase in connection with the Private Placement was registered in the Norwegian Registry of Business Enterprises on 8 February 2010, which was the date of the issue of the New Shares. The share capital has been paid in full. The New Shares were delivered to the VPS accounts of the subscribers in the Private Placement on 8 February 2010. Of the total number of Shares issued, 9,547,009 Shares were immediately tradable on Oslo Axess, while the remaining 10,452,991 Shares were temporarily not tradable prior to the publication of this Prospectus.

The percentage of immediate dilution resulting from the Private Placement for Nordic Mining's shareholders was approximately 17% per cent.

The share premium resulting from the Private Placement, less the direct expenses, will be allocated to the Company's share premium fund.

4.2.2 Subscription Price

The Subscription Price in the Private Placement was set at NOK 1.00 per Share by the Board after consultation with the Manager. The Subscription Price was determined on the basis of an overall evaluation of various factors including investors' demand at different Share price levels and the development of the Share price on Oslo Axess prior to the Private Placement.

4.2.3 Allocation of New Shares in the Private Placement

The Board allocated the New Shares in the Private Placement to investors based on consultation with the Manager. The allocation principles, in accordance with normal practice for institutional placements, included perceived investor quality, size and timelines for application. The Board decided to set aside the shareholders' preferential right to subscribe for shares. The subscription price was NOK 0.235 lower than the closing price quoted by Oslo Axess on 4 February 2010, corresponding to a discount of 19 per cent. Holberg Norge subscribed for and was allocated New Shares in the Private Placement representing approximately 6.50 per cent

of the total number of shares in the Company. Finnish Industry Investment Ltd. was allocated 6,000,000 New Shares in the Private Placement representing 5.2 per cent of the total amount of shares and votes in the Company. No member of the Company's management, supervisory or administrative bodies were invited to or subscribed for shares in the Private Placement.

See Section 17 for details of major shareholders as registered in VPS per 2 March 2010.

4.2.4 The rights conferred by the New Shares

The New Shares carry full shareholders' rights, including the right to dividend in the Company from the time of registration of the Shares with the Norwegian Registry of Business Enterprises. On 8 February 2010 all of the New Shares were registered in the Norwegian Registry of Business Enterprises.

4.2.5 Listing of the Private Placement Shares

Out of the total of 20,000,000 New Shares, 9,547,009 Shares were listed on 8 February 2010 while the remaining 10,452,991 Shares will be listed on Oslo Axess subsequent to Oslo Stock Exchange' approval and publication of this Prospectus. The Company is not aware of any Shares being traded on any other market.

4.2.6 Gross proceeds from the Private Placement

The gross proceeds from the Private Placement to Nordic Mining were NOK 20 million.

4.2.7 VPS registration

9,547,009 of the New Shares have been registered in VPS under ISIN NO 0010317340, which is the same ISIN NO as for the Shares issued prior to the Private Placement. The remaining 10,452,991 of the Shares issued in connection with the Private Placement were temporarily registered in VPS under ISIN NO 001 056 4875, but will subsequent to the publication of this Prospectus be transferred to ISIN NO 0010317340. The Shares were issued pursuant to the Public Limited Companies Act sections 10-14 to 10-19. The Company's account manager is DnB NOR Bank ASA, Stranden 21, N-0021 Oslo, Norway.

4.2.8 Underwriting

The Private Placement was not underwritten.

4.2.9 Manager

The Private Placement was managed by Carnegie ASA, Stranden 1, P.O. Box 684 Sentrum, 0106 Oslo, Norway. As of the date of the Private Placement, Carnegie ASA and its employees did not own shares in the Company.

4.2.10 Legal counsel and auditors

Kvale Advokatfirma DA has acted as Nordic Mining's legal counsel in connection with the Private Placement and the listing of the Shares on Oslo Axess.

The Company's auditor is Ernst & Young AS, Oslo Atrium, Christian Frederiks plass 6, PO Box 20, 0051 Oslo. Ernst & Young is a member of the Norwegian Institute of Public Accountants.

5. THE SUBSEQUENT OFFERING

5.1 BACKGROUND FOR THE SUBSEQUENT OFFERING

This section gives a detailed overview of the Subsequent Offering that will be effected through the issue of Subscription Rights to the Eligible Shareholders. The main purpose of the Subsequent Offering is to enable shareholders who were not offered Shares in the Private Placement the ability to subscribe for Shares at the same price as in the Private Placement and to limit dilution from the Private Placement. The use of proceeds for the Subsequent Offering is described in Section 4.1 above.

The Subsequent Offering comprises an offering of up to 10,000,000 Offer Shares, to be issued in accordance with the regulations set forth in the Norwegian Public Limited Companies Act sections 10-1 to 10-13.

Shareholders as of 4 February 2010 who were not offered Shares in the Private Placement will be awarded the Subscription Rights. Accordingly, the pre-emptive rights of the Shareholders will be waived, and the Company will issue non-tradable Subscription Rights to the Eligible Shareholders. The beneficiaries of Subsequent Offering are the Eligible Shareholders. The Subsequent Offering is not conditional.

At the extraordinary general meeting held on 1 March 2010, the following resolution was passed regarding the Subsequent Offering:

"The share capital of the company is increased pursuant to section 10-1 of the Norwegian Public Limited Liabilities Act on the following terms:

- 1. The share capital is increased with minimum NOK 0.10 and maximum NOK 1,000,000 by issuing up to 10,000,000 new shares.*
- 2. The nominal value is NOK 0.10.*
- 3. The subscription price is NOK 1.00 per share.*
- 4. The shares may be subscribed for by shareholders that owned shares in the company 4 February 2010 and who were not allowed to participate in the private placement resolved on 5 February 2010 and carried out on the same day. Non-tradable preferential rights will be issued. The shareholders' subscription preference pursuant to section 10-4, ref section 10-5 of the Norwegian Public Limited Liabilities Act is deviated.*
- 5. The company shall issue a prospectus to be approved by the Oslo Stock Exchange. The shares are to be subscribed for on a separate subscription form enclosed to the prospectus. The subscription period will be decided upon by the Board of Directors, nevertheless no later than 19 April 2010. Further terms and conditions for the subscription will be determined by the Board of Directors and will be described in the prospectus.*
- 6. The subscription amount shall be paid to a designated account. The Board of Directors shall determine the further conditions for the settlement, and shall be described in the prospectus. The due date for payment shall be no later than 30 April 2010.*
- 7. Subscription exceeding assigned preferential rights will be allowed. The shares shall in case of over-subscription be allotted in accordance with decision from the Board of Directors.*
- 8. The new shares shall carry a right to dividend from the registration of the new shares in the Register for Business Enterprises."*

As with the capital raised in the Private Placement, the capital raised in the Subsequent Offering will be used to strengthen the Company's capital resources for the current and future engagements the Company is involved in. See Section 4.1 for a further description of use of proceeds from the Subsequent Offering.

5.2 SHARE CAPITAL FOLLOWING THE SUBSEQUENT OFFERING

The final number of Offer Shares to be issued in connection with the Subsequent Offering will depend on the number of Shares subscribed. The maximum number of Offer Shares to be issued is 10,000,000, all with a nominal value of NOK 0.10 per Share which will give a further increase in the Company's total number of issued Shares from 115,470,091 (following the Private Placement) to a maximum of 125,470,091, each with a nominal value of NOK 0.10 per Share. The Offer Shares will be issued in accordance with the resolution passed at the extraordinary general meeting held on 1 March 2010. See Section 20 for a further description of the Company's share capital.

Members of the Board and management that are allocated Subscription Rights (see Section 5.3) will consider subscribing for Offer Shares in the Subscription Period.

The share premium resulting from the Subsequent Offering, less the direct expenses, will be allocated to the Company's share premium fund.

5.3 OFFER SHARES AND SUBSCRIPTION RIGHTS

The Subsequent Offering comprises 10,000,000 Subscription Rights, where each Subscription Right grants the right to subscribe for one (1) Offer Share.

Eligible Shareholders will be allowed to subscribe for more Offer Shares than the number of Subscription Rights held by Eligible Shareholders. See Section 5.7 for allotment criteria.

The Subscription Price for one Offer Share shall be NOK 1.00.

NO FRACTIONAL OFFER SHARES WILL BE ISSUED. Fractions will not be compensated, and all fractions will be rounded to the nearest integer that provides issue of whole numbers of said securities to each participant.

The Subscription Rights will not be tradable and hence not be listed. The Subscription Rights will be transferred to the Eligible Shareholders' VPS-accounts on or about 8 March 2010. The Subscription Price for one Offer Share shall be NOK 1.00, WHICH IS EQUAL TO THE SUBSCRIPTION PRICE IN THE PRIVATE PLACEMENT.

The Company will issue 10,000,000 Subscription Rights. The Subscription Rights may be used to subscribe for the Offer Shares. Over-subscription is allowed. After the expiry of the Subscription Period, the Subscription Rights will be of no value and automatically lapse. Eligible Shareholders not subscribing for entitled shares will entail no rights after expiry of the Subscription Period.

Note: This Prospectus does not constitute an offer of, or a solicitation of an offer to purchase, any of the Offer Shares in any jurisdiction or in any circumstance in which such offer or solicitation would be unlawful. This Prospectus may not be sent to any person in an Ineligible Jurisdiction, and the crediting of Subscription Rights to an account of the shareholders of the Company or other person in an Ineligible Jurisdiction does not constitute an offer to such persons to subscribe for Offer Shares and Ineligible Persons may not exercise Subscription Rights.

As far as the Company is aware of, a total of 23 shareholders as of 4 February 2010, representing 0.66 per cent of the share capital, belong to an Ineligible Jurisdiction and will thus be excluded from the Subsequent Offering. This does not elevate each shareholder of foreign jurisdictions from the duty to examine whether the shareholder may lawfully subscribe for the Offer Shares.

5.3.1 Eligible Shareholders and the Subscription Rights

The Company will issue 10,000,000 Subscription Rights to the Eligible Shareholders in the Company as of 4 February 2010, as registered in VPS on 9 February 2010. Each Eligible Shareholder will receive 1 Subscription Right per 8.0035409 Shares owned as of the Record Date. One Subscription Right will grant the right to subscribe for one (1) Share. The Subscription Rights will be distributed free of charge, and the recipient of Subscription Rights will not be debited any cost. The Subscription Rights will be registered in each Eligible Shareholders' VPS account on or about 8 March 2010.

5.3.2 Maximum gross proceeds and Offer Shares

In the event that the Subsequent Offering is fully subscribed, the Company will be provided NOK 10 million in gross proceeds based on the applicable Subscription Price of NOK 1.00 per Share and issue of 10,000,000 Offer Shares.

5.4 SUBSCRIPTION PERIOD IN THE SUBSEQUENT OFFERING

The Subscription Period in the Subsequent Offering will commence 17:30 CET on 8 March 2010 and expire at 17:30 CET on 22 March 2010. The subscription period may be extended by the Board, but may not in any event be later than 19 April 2010. An extension, if any, will be announced by a press release through www.newsweb.no and on the Company's webpage www.nordicmining.com.

5.5 SUBSCRIPTION PRICE

The Subscription Price for one (1) Offer Share is NOK 1.00. The Subscription Price was determined by the general meeting based on the price per Share in the preceding Private Placement. The Subscribers will not incur any costs related to the subscription for, or allotment of, the Offer Shares.

The table below shows the disparity between the Subscription Price and the effective cash cost to members of the administrative, management or supervisory bodies or senior management during the past year:

Management	Volume	Price	Date	Issue price	Disparity	%
Lars K. Grøndahl, CFO	50 000	1.11	07.01.2010	1.00	0.11	10%
Ottar Nakken, VP Commercial	45 000	1.32	11.01.2010	1.00	0.32	24%
Paul I. Norkyn, VP Mining operation	50 000	1.24	18.01.2010	1.00	0.24	19%

5.6 SUBSCRIPTION PROCEDURES AND SUBSCRIPTION OFFICES

Eligible Shareholders will receive a letter which includes information on shareholdings as of 4 February 2010 and certain other matters relating to the relevant Shareholders. The Prospectus is available at www.nordicmining.com and at the offices of Carnegie ASA and Nordic Mining ASA. Subscriptions for Offer Shares must be made on a Subscription Form in the form attached as Appendix 2 hereto. Norwegian subscribers domiciled in Norway can in addition download the Prospectus on www.carnegie.no and subscribe for shares through VPS' internet service. A link to VPS' internet service will be available at www.carnegie.no.

Online subscriptions must be submitted and accurately completed Subscription Forms must be received by the Manager by 17:30 CET on 22 March 2010. Subscription Forms sent by regular mail on 22 March 2010 are likely to arrive after the deadline. Neither the Company nor the Manager may be held responsible for delays in the mail system, busy facsimile lines or for non-receipt of Subscription Forms forwarded by facsimile to the Manager.

Properly completed and signed Subscription Forms may be faxed, mailed or delivered to the Manager at the address set out below:

Carnegie ASA
Stranden 1, Aker Brygge
PO Box 684 Sentrum
0106 Oslo, Norway
Fax: +47 22 00 99 60
Tel: +47 22 00 93 00

The Board and the Manager may at their sole discretion refuse any improperly completed, delivered or executed Subscription Form or any subscription which may be unlawful. A subscription is irrevocable and may not be withdrawn, cancelled or modified once it has been received by the Manager. Multiple subscriptions are allowed. In the event the Subscriber submits two or more Subscription Forms, the Board and the Manager reserves the right to approve all or only some of the Subscription Forms.

5.7 ALLOTMENT

Allotment of the Offer Shares is expected to take place on or about 24 March 2010.

The following allocation criteria will be used for allotment of Offer Shares in the Subsequent Offering:

1. Offer Shares shall be allocated on the basis of exercised Subscription Rights;
2. In the event that not all Subscription Rights are used and the Subsequent Offering is over-subscribed, the Shares not allocated based on exercised Subscription Rights (see point 1) may be allocated according to the decision by the Board. However, the standard VPS allocation based on number of subscription rights will most likely be applied.

General information on the number of Offer Shares is expected to be published on or about 25 March 2010 in the form of a stock exchange release through www.newsweb.no.

All Subscribers being allotted Offer Shares will receive a letter from the Manager confirming the number of Offer Shares allotted to the Subscriber and the corresponding amount which will be debited the Subscriber's account. This letter is expected to be mailed on or about 25 March 2010.

5.8 PAYMENT

Each Subscriber must provide a one-time authorisation to debit a specified bank account with a Norwegian bank for the amount (in NOK) payable for the Offer Shares allotted to such Subscriber by signing the Subscription Form when subscribing for Offer Shares. The amount will be debited at 12:00 CET on 26 March 2010. Subscribers not having a Norwegian bank account or Subscribers subscribing for Offer Shares for more than NOK 5,000,000 must ensure that payment for their Offer Shares with cleared funds is made on or before 12:00 CET on 26 March 2010 and should contact the Manager in this respect.

If there are insufficient funds on a Subscriber's bank account or if it is impossible to debit a bank account for the amount the Subscriber is obligated to pay, or payment is not received by the Manager according to other instructions, the allotted Offer Shares will be withheld. Interest will in such event accrue at a rate equal to the interest on late payment, currently 8.25 per cent per annum.

The Manager reserves the right to make up to three attempts to debit the Subscribers' accounts in the period up to and including 31 March 2010 if there are insufficient funds on the account on previous debit dates. If payment for the allotted Offer Shares is not received when due, the Offer Shares will not be delivered to the Subscriber, and the Board reserves the right, at the risk and cost of the Subscriber, to cancel the subscription in respect of the Offer Shares for which payment has not been made, or to sell or otherwise dispose of the Offer Shares, and hold the Subscriber liable for any loss, cost or expense suffered or incurred in connection therewith. The original Subscriber remains liable for payment of the entire amount due, including interest, costs, charges and expenses accrued, and the Manager may enforce payment of any such amount outstanding.

5.9 PUBLICATION OF INFORMATION RELATING TO THE SUBSEQUENT OFFERING

Publication of information related to any changes in the Subsequent Offering and the amount subscribed, will be published on www.newsweb.no under the Company's ticker code NOM, and will also be available on the Company's website www.nordicmining.com. The announcement regarding the amount subscribed is expected to be made on or about 25 March 2010.

5.10 VPS REGISTRATION

The Offer Shares will be registered with VPS under ISIN NO 0010317340. The Offer Shares will not be delivered to the Subscribers' VPS accounts before they are fully paid, registered with the Norwegian Registry for Business Enterprises and registered in the VPS.

The registrar for the Shares is DnB NOR Bank ASA, Stranden 21, N-0021 Oslo, Norway.

5.11 DELIVERY OF THE OFFER SHARES

All Subscribers subscribing for Offer Shares must have a valid VPS account (established or maintained by an investment bank or Norwegian bank that is entitled to operate VPS accounts) to receive Offer Shares. Assuming that payments from all Subscribers are made when due, delivery of the Offer Shares is expected to take place on or about 8 April 2010, however, delivery of the Offer Shares will take place at the latest on 15 April 2010. Assuming that payments from all Subscribers are made when due, it is expected that the share capital increase

will be registered in the Norwegian Registry of Business Enterprises on 7 April, however, such registration will take place at the latest on 10 April 2010.

5.12 LISTING OF THE OFFER SHARES

All of the Offer Shares will be listed on Oslo Axess. Assuming timely payment by all Subscribers, the Company expects that the Offer Shares will be listed on Oslo Axess on or about 9 April 2010. The Shares of the Company are not listed, and no application has been filed for listing, on any other stock exchange or regulated market than Oslo Axess.

5.13 TRANSFERABILITY OF THE OFFER SHARES

A Subscriber will not under any circumstances be entitled to sell or transfer its Offer Shares until such Subscriber has paid these in full and the share capital increase in connection with the Subsequent Offering has been registered in the Norwegian Registry of Business Enterprises.

Upon payment of the Offer Shares and registration of the Offer Shares in the Norwegian Registry of Business Enterprises, the Offer Shares will be freely transferable.

5.14 SHAREHOLDERS' RIGHTS RELATING TO THE OFFER SHARES

The Subscribers being allotted Offer Shares in the Subsequent Offering will have full shareholders' rights in respect of their Offer Shares once such Shares are registered in the Norwegian Registry of Business Enterprises, expected on or about 7 April 2010. The Offer Shares will be issued electronically in accordance with the regulations set forth in the Public Limited Companies Act sections 10-1 to 10-13 and will rank *pari passu* in all respects with the Company's other outstanding Shares, including the right to dividends with a record date after the Offer Shares have been issued, see also Section 5.1 regarding the dividend rights. See also Section 20 for a further description of the rights and tradability of the Shares.

5.15 TIMELINESS, VALIDITY, FORM AND ELIGIBILITY OF SUBSCRIPTION

All questions concerning the timeliness, validity, form and eligibility of any subscription for Offer Shares will be determined by the Board, whose determination will be final and binding. The Board, or the Manager upon being authorised by the Board, may in its or their sole discretion waive any defect or irregularity in the Subscription Forms, permit such defect or irregularity to be corrected within such time as the Board or the Manager may determine, or reject the purported subscription of any Offer Shares. It cannot be expected that Subscription Forms will be deemed to have been received or accepted until all irregularities have been cured or waived within such time as the Board or the Manager shall determine. The Board, the Company and the Manager will not be under any duty to give notification of any defect or irregularity in connection with the submission of a Subscription Form or assume any liability for failure to give such notification. Further, the Board, the Company and the Manager are not liable for any action or failure to act by a financial intermediary through whom any Eligible Shareholder holds his Shares or by the Manager in connection with any Subscriptions or purported Subscriptions.

5.16 EXPENSES

Costs attributable to the Subsequent Offering will be borne by the Company. The costs related to the Subsequent Offering, in excess of the costs of NOK 2 million related to the Private Placement and listing of New Shares issued in connection with the Private Placement, may amount to approximately NOK 1 million as a maximum, assuming full Subscription of the Subsequent Offering. The net proceeds to the Company from the Subsequent Offering will be approximately NOK 9 million, assuming full subscription of the Subsequent Offering.

5.17 MANAGER AND ADVISORS

The Manager for the Subsequent Offering is Carnegie ASA, Stranden 1, P.O. Box 684 Sentrum, 0106 Oslo, Norway.

The legal advisor to the Company is Kvale Advokatfirma DA, Fridtjof Nansens plass 4, P.O. Box 1752 Vika, 0122 Oslo, Norway.

5.18 DILUTIVE EFFECT

The dilutive effect in connection with the Private Placement and the Subsequent Offering will be approximately 24% per cent, assuming full subscription of the Subsequent Offering.

	Prior to the Private Placement and the Subsequent Offering	Prior to the Subsequent Offering	Subsequent to both offerings
No of Shares each with a nominal value of NOK 0.10	95,470,091	115,470,091	125,470,091
% dilution	0.00%	17%	24%

5.19 JURISDICTION AND CHOICE OF LAW

This Prospectus is subject to Norwegian law, unless otherwise indicated herein. Any dispute arising in respect of this Prospectus is subject to the exclusive jurisdiction of Oslo City Court.

6. PRESENTATION OF NORDIC MINING

6.1 HISTORY AND DEVELOPMENT

Nordic Mining is a Norwegian public limited company (ASA) established on 8 May 2006 after the demerger from Rocksource, an exploration and production company listed on the Oslo Stock Exchange. Nordic Mining is regulated by the Norwegian Public Limited Companies Act. The Company is registered in the Norwegian Registry of Business Enterprises with the organisation number: NO 989 796 739, subject to Norwegian regulations. The Articles of Association are included in Appendix 1 to this Prospectus. Nordic Mining has its head office at Munkedamsveien 45, NO-0250 OSLO, Norway. The phone number to Nordic Mining's head office is +47 22 94 77 90.

In connection with the demerger, Rocksource and Nordic Mining entered into a technology license agreement that granted Nordic Mining a perpetual global license to all EM- and reservoir management technology, owned or licensed by Rocksource and applied on other resources and materials than hydrocarbons.

On 15 September 2006, Nordic Mining entered into an agreement with ConocoPhillips Investments Norge AS, whereby Nordic Mining acquired their Claims (Utmål) in a mineral deposit at Engebøfjellet in Naustdal municipality in Norway. The deposit contains an ore resource estimated to 380 million tons with a titanium dioxide (TiO₂) content of 3-5 percent. Nordic Mining was granted concessions for the acquisition from Norwegian authorities in January 2007. The Company has also been granted mineral Exploration Rights for additional TiO₂ containing resources situated at Steinkrossen, close to the Engebø deposit.

Nordic Mining entered into an agreement with Nannok Invest AS to acquire 85 per cent of Gudvangen Stein in the Aurland municipality in Norway on 30 March 2007. The transaction was completed 31 May 2007. In June 2009, Nordic Mining acquired the remaining 15 per cent of Gudvangen Stein which is now a wholly owned subsidiary. Gudvangen Stein is mining and producing mineral products from its own deposit of anorthosite in Gudvangen.

On 15 January 2008, Nordic Mining announced an agreement with the owners of the Finnish company Keliber with the purpose to acquire 68 per cent of the share capital in Keliber. The acquisition was completed on 19 June 2008. Keliber has rights to a deposit of lithium bearing spodumene mineral in Finland and concessions and permits to start mining operation and production of lithium carbonate.

Nordic Mining has various mineral exploration rights for i.a. tungsten, molybdenum, thorium, Rare Earth Elements (REE), nickel, palladium and platinum in Norway and Sweden. In addition, the Company, through Keliber, has Exploration Rights and reservations for such for lithium in the Ostrobothnia province in Finland.

Nordic Mining has a competent organisation with 13 permanent employees and an active advisory network with broad industrial experience and in-depth knowledge of geology, mining and minerals processing.

6.2 INVESTMENTS

The table below sets forth the Company's principle investments (cash considerations) for the period from 2006 to 31 December 2009.

Amounts in 1,000	2009	2008	2007	2006
Investing activities:				
Engebøfjellet mineral concessions – see Section 6.6.1			3,200	
Gudvangen Stein – see Section 6.6.2			15,400	
Keliber – see Section 6.6.3	6,700	6,600		

To the date of this Prospectus, there have been no major investments in 2010.

At the current stage, the Nordic Mining is not committed to any investments whatsoever. The mineral projects that the Company is working on, may, however, result in substantial investments. Such investments will be considered, decided and financed on a case by case basis.

Industrial development of Nordic Mining's mineral resources at Engebøfjellet will demand additional financing. Planning of such investments, including financing and possible establishment of project partnerships, will be dealt with as part of the ongoing development program.

Investments and industrial development of Keliber's mineral resources will require additional financing. Planning of such investments, including financing and possible establishment of project partnerships, will be dealt with as part of the ongoing development program. The last cash payment to the previous owners of Keliber will be paid when the production plant is installed and commissioned.

In Gudvangen Stein, investments in the coming years in the mining operation are expected to be moderate. Current practice in Gudvangen Stein is to a large extent to lease mining and production equipment, and this will also in the future be considered as a source of financing. Possible investments in processing facilities in order to produce anorthosite concentrates as feedstocks for various industrial applications will be dealt with as part of the project development.

The current plans for new investments for the period covering the cash flow forecast for the 12 month period from the expected date of this Prospectus are described in Section 9.

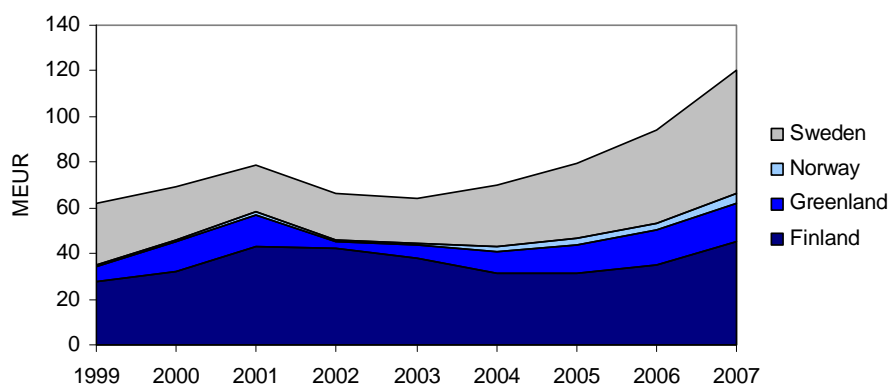
6.3 BUSINESS OVERVIEW

The Norwegian mining industry has for many years experienced a decreasing level of activity and lack of long-term investments, both within the industry in general, as well as within prospecting and exploration activities. Compared to Sweden and Finland, Norway's mining resources are under-explored although there is reason to believe that Norway has significant resources of attractive minerals and metals.

In a global perspective, the growth of the national economies in emerging regions, in particular China, India and other Asian countries, has led to increased demand for metals, minerals and commodity materials. With increasingly scarce mineral resources in central and southern Europe, it is expected that the Nordic countries will play an important role in the future supply of strategic metals and minerals to the European market.

Also within various technologies there are continuous changes and improvements that are affecting the mining industry, both with regard to exploration technologies, beneficiation methods and equipment. As a contribution to this, Rocksource has developed state-of-the-art algorithms for integrated interpretation of seismic, geophysical and electro-magnetic data for improved identification of hydrocarbons. This technology is anticipated to have a potential within prospecting for minerals and metals.

Exploration in the Nordic countries (Million €)



Source: Raw Materials Group, 2008

6.4 BUSINESS IDEA, GOALS AND STRATEGY

The business idea of Nordic Mining is to be an integrated mining company within exploration and production of high-end minerals and metals. The Company shall seek to exploit combinations of strategic mineral reserves and special and high-end applications through dedicated exploration activities and focused research on beneficiation technologies and products.

Nordic Mining will seek to acquire operating mining companies in order to secure mining competence, market access and knowledge, utilising existing operational capabilities and product knowledge for further development. The Company aims to identify, confirm and develop additional mineral reserves for long-term sustainable operation. Access to mining operations will be carried out through mergers or acquisitions, primarily in the Nordic region. Nordic Mining aims to establish itself as an attractive partner/owner for smaller and medium sized companies.

Nordic Mining's strategy for further growth is to:

- Explore and develop the Company's existing assets;
- Seek to exploit M&A opportunities in order to secure cash flow from resources in production and to gain operational competence, market network and financial solidity;
- Prospect, mine and produce high-end minerals and metals;
- Develop and introduce new technology in mineral exploration and production through development of the EM technology; and
- Establish an operational foothold in the Nordic region.

6.5 OVERVIEW MINERALS AND METALS DEPOSITS IN NORDIC MINING

6.5.1 Summary

The operations of Nordic Mining currently comprise the following main projects:

- Mining, production, sales and distribution of anorthosite products in Gudvangen Stein
- Engebøfjellet rutile deposit (titanium dioxide)
- Keliber spodumene pegmatite deposit (lithium)
- Technology licence agreement for EM technology for mineral prospecting

In addition, the Company holds various exploration rights for minerals (i.a. tungsten, molybdenum, titanium, lithium, REE) in Norway, Finland and Sweden.

When estimated and classified, Nordic Mining's mineral deposits are reported according to the Australasian Joint Ore Reserve Committee code (JORC code). This is a widely accepted standard for reporting of mineral resources.

6.6 STRATEGIC BUSINESS APPROACH

The Nordic countries are today major producers of certain industrial minerals such as olivine, nepheline syenite, and carbonates. In addition there is production of quartz, graphite, talc, limestone, anorthosite, feldspar, mica, dolomite and ilmenite. The value of products from industrial minerals is highly dependent on the degree of beneficiation and production of speciality products. It is recognised that there is a considerable future growth potential in industrial minerals production. The vast number of applications of products from minerals and metals can be split into high-technology/high-end products, speciality products and special alloys metals.

Nordic Mining seeks to identify and verify strategic mineral and metal deposits that have potential applications within high-technology industries, such as high purity quartz, rutile (titanium dioxide), tungsten, molybdenum, lithium and others, and actively pursue the development and commercialisation of new speciality products. The use of industrial minerals as raw materials for production of nano-particle based products is considered as an interesting potential. Recent studies also indicate that industrial minerals may be used in processes for removal or transformation of CO₂ in e.g. power plants or other industries with significant CO₂ production.

Nordic Mining systematically maps and investigates Nordic mineral resources with a commercial potential for high value-added industrial applications. Several potential mineral projects have been investigated and evaluated. Basis for development of a portfolio is a combination of mineral competence, resource base and systematic generation of ideas for new products and applications. Also projects outside the Nordic region are evaluated.

Nordic Mining has established cooperation and dedicated research and development agreements with various knowledge institutions, i.a. certain departements and individuals at the Norwegian University of Science and Technology, Trondheim (NTNU), the Geological Survey of Norway (NGU) and the Norwegian Institute for Water Research (NIVA).

The agreements with the various NTNU departments are research-, competence- and resource supply agreements which enables Nordic Mining to carry out a focused mapping and prospecting activity for high-end minerals and metals, as well as evaluations withing mineral processing, and material technology and electro chemical areas. Areas of cooperation are defined on a project to project basis. According to the arrangements Nordic Mining shall have access to a number of individuals within different fields of specialisation, which will be remunerated according to time used.

Nordic Mining and NGU have entered into a frame agreement for supply of geological data, expertise and resources, both for prospecting services as well as for assisting Nordic Mining in its evaluation of geological and technological strategies.

It is market standard that agreements with institutions such as NTNU and NGU are of short duration. Renewal and possible prolongation of existing cooperation agreements are regularly evaluated.

Nordic Mining has entered into a consultancy agreement with NIVA running from 1 July 2007. NIVA is assisting Nordic Mining with environmental analysis in connection with the Company's preparations for industrial production at the Engebø rutile deposit.

Nordic Mining also has, and has had, a range of other agreements, mainly of short term duration, with various institutions, companies and consultants in various fields of competence. The Company's strategic business approach emphasises competence networking for business development and other matters.

6.6.1 Engebøfjellet rutile deposit

In September 2006, Nordic Mining acquired 100 per cent of ConocoPhillips Investments Norge AS' interest in a rutile resource at Engebøfjellet in Naustdal municipality in Norway. The agreed purchase price for the mineral concessions was NOK 3.2 million. Additionally, the agreement specifies a fixed, contingent consideration that will be paid to the seller if and when commercial production or sales of mineral from the property commence. Compared with current estimates for total investments related to industrial development of the TiO₂-project (approximately NOK 1.5 billion), the contingent liability is limited (NOK 40 million).

The acquisition was conditioned upon consent from the Norwegian authorities, which was granted on 18 January 2007. In August 2007, Nordic Mining's Exploration Rights at Engebøfjellet were prolonged until October 2017. See also information under the "Summary of expert opinion Engebøfjellet" in Section 22.1.

The Engebøfjellet deposit was recognised as a potential rutile deposit in the 1970s. During 1995 to 1997, a large drilling campaign carried out by DuPont documented a resource of totally 382 million tons of eclogite ore, with an average content of 3.96 per cent titanium dioxide. Previous studies and scenarios have been illustrated with an annual production of approx. 200,000 tons of rutile, based on mining of approximately 10 million tons of ore per year, amounting to annual revenues of NOK 600 million. The DuPont studies estimated that the capital cost of the Engebøfjellet operation would be at a level of approximately NOK 2 billion.

The rutile concentrate produced from Engebøfjellet may serve as feedstock for pigment production and as feedstock for production of titanium metal. Nordic Mining considers titanium metal to be of strategic importance with forecasted growth and potential applications within areas like aerospace, defence, offshore and more specific applications as in nano technology and health care. The purchase and the subsequent development of this deposit will establish Nordic Mining as a major long-term feedstock supplier both for the pigment industry and for production of titanium metal.

Nordic Mining's evaluations of the Engebø project have verified that high-quality garnet can be produced as a by-product. Commercial development of garnet, e.g. for water-jet cutting and abrasives, is expected to add positively to the profitability of the Engebø project. Nordic Mining has signed a Memorandum of Understanding with a leading, international producer of industrial minerals. The Parties intend to establish a long term cooperation within development, production, sales, marketing and distribution of garnet products from Engebø. The technical cooperation will consist of testing, product analysis, process evaluation and process design in order to verify and define an optimal beneficiation process for the Engebø garnet. The technical work may also include preparation, design and specification of pilot plant configuration for garnet beneficiation. Subject to a successful development of the Engebø project and establishment of production processes that meet the necessary requirements, the Parties intend to enter into exclusive commercial relations for all garnet produced from Engebø. This may include off-take agreement, joint marketing, sales and distribution arrangements for garnet products to the international markets.

The planning program related to production of rutile (TiO₂) at Engebøfjellet was approved by Naustdal and Askvoll municipalities in November 2007. Nordic Mining appointed NIVA (Norwegian Institute for Water Research) to coordinate all aspects of the Environmental Impact Assessment (EIA) in connection with the preparation of proposal for planning regulation (industrial area permit) and application for waste disposal for the project. Asplan Viak was engaged in connection with regulation issues. For the various EIA studies well-reputed, independent institutions were contracted in order to have a best possible documentation of project consequences and impact.

In 2009, Nordic Mining completed its proposal for development plan with environmental impact assessment in connection with the contemplated industrial activity at Engebø. Naustdal and Askvoll municipalities have reviewed the proposal and submitted the plan for public hearing. The hearing period closed 27 September 2009. Various local, regional and national institutions have commented on the planning proposal. Nordic Mining has had significant effort and focus to secure that the impact studies included in the planning documentation are of high quality and cover all relevant aspects related to industrial development at Engebø. Naustdal and Askvoll municipalities will review the comments to the planning proposal and present evaluations in the matter.

In June, the county governor of Sogn and Fjordane submitted Nordic Mining's application for waste disposal for public hearing. The hearing period closed 1 October 2009 with a few extensions for certain institutions. It is expected that the Norwegian Climate and Pollution Agency (previously Statens Forurensningstilsyn/SFT) will coordinate the final review of the waste disposal application.

In 2009, Nordic Mining has undertaken evaluation and tests related to mineral resource prospecting and methods for ore dressing and beneficiation for production of rutile and garnet. Flotation tests related to the application for waste disposal have been done, with good results, at NTNU in Trondheim. In cooperation with leading technology and equipment suppliers Nordic Mining have evaluated alternative solutions for crushing and grinding. Further, the basis for completion of process flow chart has been established. Critical stages in the process have been identified in order to achieve highest possible rutile recovery. Microscopy has been undertaken to evaluate mineralogy and liberation of high purity rutile concentrate in laboratory tests.

Nordic Mining has assigned the Finnish company Outotec Oyj as consultant for mineral processing for the Engebø project. Outotec Oyj is a leading international supplier of technical services and equipment for mining and mineral processing, and with significant competence in rutile processing.

In addition to production of mineral products from rutile and garnet, Nordic Mining is exploring potential applications for various products from eclogite siderocks and waste minerals. Several industrial contacts have been established in order to gradually develop such market outlets, in order to optimize the use of the Engebø mineral resources.

The further development of the Engebøfjellet rutile deposit (titanium dioxide) will mainly focus on:

a) Process optimisation studies

Trials and development work within grinding, separation techniques and flotation methods for optimal utilization of the finalised rutile and garnet products. Carry out pilot plant production of rutile and garnet qualities.

b) Geological modelling and mineralogy evaluation and analysis

Establishing a full 3D resource model that will serve as a basis for further evaluation of mining strategy, production scenarios and project economy. Carry out further tests and analysis of the mineralisation as input to the process optimisation studies and to improve production simulation. Core drilling of the eclogite resource for further optimisation of mine plan and reserve classification.

c) Project engineering and design

Conduct conceptual engineering and cost analysis in order to further enhance the estimates for investment and operational costs. This will also include conceptual studies for water supply and disposal arrangement.

d) Market and joint operations activities

A likely scenario is to develop the Engebøfjellet deposit in a consortium consisting of one or more companies, being active in beneficiation of titanium feedstock products. Although this is in an early phase, initial discussions with potential participants have started.

An industrial development of the Engebøfjellet rutile deposit represents a major long-term engagement. The planning, construction and operation will demand a significant level of labour in the region for decades. The planning and development activities will be carried out in close cooperation with local, regional and national authorities.

The Company has also been granted mineral Exploration Rights for additional acreage at Steinkrossen, close to the Engebøfjellet deposit.

6.6.2 Anorthosite in Aurland – Gudvangen Stein AS

Nordic Mining entered into a cooperation agreement with Gudvangen Stein in September 2006 with the objective of improving production and utilisation of Gudvangen Stein' anorthosite deposit in Aurland in Sogn og Fjordane, Norway. In May 2007, Nordic Mining and Nannok Invest AS (previous sole shareholder of Gudvangen Stein) closed an agreement where Nordic Mining agreed to purchase, and Nannok Invest AS agreed to sell 85 per cent of the shares in Gudvangen Stein. The purchase price for the 85 per cent stake was NOK 15 million. In June 2009, the remaining 15 per cent of the shares was acquired.

Gudvangen Stein produces approximately 200,000 tons of anorthosite products per year, of which most is shipped by small bulk carriers from Gudvangen to domestic or export destinations. Anorthosite mineral products are used as feedstock for production of stone wool insulation and for top layers of asphalt. Stone wool has a broad range of usage areas. It is one of the most versatile and commonly used insulation materials in many European countries. Stone wool has both heat and sound insulating properties. The product is used in buildings, but also in constructions with particularly strict and demanding insulation regulations, e.g. in the transportation industry and nuclear power plants. Stone wool can be used as insulation in constructions with particularly demanding fire safety regulations.

The Company estimates the mineral resource in Gudvangen Stein to approximately 500 million tons of anorthosite. See also information under the "Summary of expert opinion Gudvangen Stein" in Section 22.1.

Gudvangen Stein had a turnover of approximately NOK 20 million in 2009, with an operating loss of close to NOK 3 million. The loss was mainly due to general reduction in the European construction activity and lower demand for anorthosite products. Gudvangen Stein has during 2009 cut costs by temporary leaves and shut downs and has reduced the number of permanent employees from 10 to 7, as well as re-negotiated terms for equipment lease and bank loans.

Nordic Mining's strategy for Gudvangen Stein is to identify new applications for anorthosite. The goal is to achieve higher value for products, reflecting the valuable mineral composition of the anorthosite. Various development activities related to new applications for anorthosite have been undertaken or are ongoing. A cooperation agreement with StatoilHydro ASA related to use of CO₂ in minerals processing is part of this strategy. The Norwegian Institute for Energy Technology (IFE) has tested CO₂ as an input for production of aluminium oxide from anorthosite. The tests have verified that aluminium feedstock (gibbsite) of satisfactory quality can be produced based on the anorthosite in Gudvangen. The reaction rate in the tests has, however, so far been too low for industrial scaling of the technology. The initial project has provided valuable knowledge of possible reactions with use of CO₂, and this will be of significant importance for further development work.

In addition to processing of anorthosite with use of CO₂, Gudvangen Stein is developing anorthosite concentrates as feedstocks for various industrial applications, i.a. within glass related and ceramics industries. Contacts with knowledge institutions in Norway and internationally have been established for this development activity. Testings with optical, magnetic and chemical separation technologies have been executed with purpose i.a. to reduce iron and alkali contents in the concentrates. The results so far are positive and discussions with possible industrial partners and customers have been initiated.

6.6.3 Lithium in Ostrobothnia, Finland - Keliber Oy

The Lanttä spodumene pegmatite deposit includes in situ approximately 3 million tonnes mineral resource in the categories "Measured", "Indicated" and "Inferred" and will together with expected additional mineral resource from other deposits in the area suffice for operations for more than 10 years. Keliber has permits for mining, operation and waste disposal for the Lanttä deposit and processing plant at Kalavesi.

The Ostrobothnia region has several potential mineable lithium deposits and Keliber has claims on 2 additional deposits; Emmes and Jänislampi, being located within a distance of 20 km from the planned process plant. In addition, Keliber has secured reservations for exploration rights for a total acreage of approximately 60 km² in the same area. In addition to Keliber, the Geological Survey of Finland (GTK) is actively investigating potential deposits in the Ostrobothnia lithium province and reports from this exploration work can be expected when work is concluded.

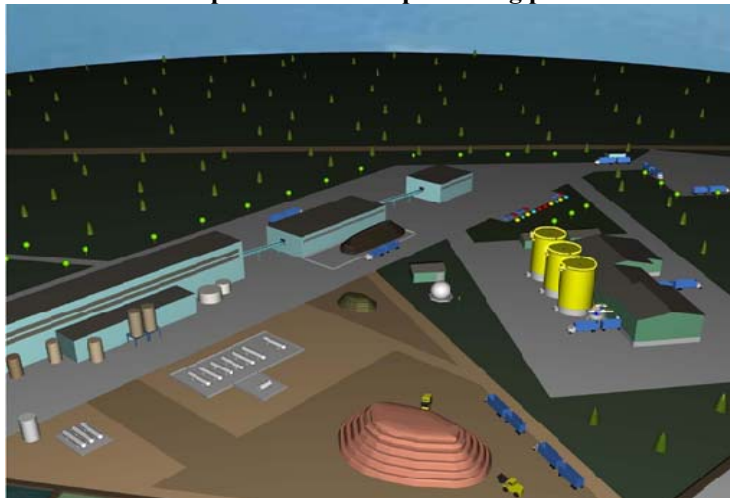
Exploration drilling has been carried out in the Länttä deposit by Partek and Keliber with a total of approximately 50 drill holes of a total of 5,500 meters. The Länttä deposit consists of several pegmatitic ore bodies containing spodumene with lithium oxide. The deposit is located in a flatland in the Kaustinen area, east of the city of Kokkola in Ostrobothnia, Finland. The main ore bodies are situated under approximately 4 meters of sediments (average), and are approximately 400 meters long, and are explored down to – 200 meter below surface. On behalf of Keliber, GTK has carried out several studies and worked out a mineral resource estimate for the Länttä deposit. The studies also include establishment of a 3D block model on basis of data from drill holes.

The Länttä lithium project includes building of a new beneficiation and process plant in Kalavesi, 20 km south-west of the Länttä deposit. The process plant will consist of a traditional ore dressing plant and a new advanced process plant for direct production of high purity lithium carbonate. The planned capacity is 200 - 250,000 tonne per year of spodumene ore, resulting in an annual production of approximately 4,000 mt of lithium carbonate.

Outotec and VTT Mineral (now part of GTK) have carried out pilot production and NICON (now part of Sweco Group) has established a complete engineering, plant design and construction drawings.

Revision of mine plan and possible optimisation of the mineral beneficiation process are ongoing. Further, Keliber intends to verify additional mineable ore reserves in order to extend the life time of the project. Marketing and product development in order to prepare the project commercially will also have high priority.

Illustration of the planned Keliber processing plant at Kalavesi



Keliber has been granted two mining claims in Jänislampi and Emmes. The mining claims were in force until 16 May 2008 and applications for prolongation of the claims have been filed. The Company expects that the mining claims will be renewed shortly.

Further Keliber has been granted a mining concession in the Länttä mining district in the municipality of Ullava comprising in total 17.6928 hectares. According to the mining concession mining operations must be initiated at the latest by 23 May 2016. However, the mining authorities may prolong the aforesaid timelimit.

Nordic Mining has also been granted various mining reservations that are in force for one-year periods and entitles Keliber to explore the relevant areas with a view to evaluate whether the company shall apply for mining claims/concessions.

6.6.4 EM-technology

Description of the EM-technology

Rocksource has through cooperation with the Centre for Integrated Petroleum Research at the University of Bergen successfully developed the EM-technology for interpretation of EM-data for identification of hydrocarbons.

The EM-technology principle has been utilised for decades within the traditional mining industry. The use has primarily been related to data acquisition over larger areas, resulting in superficial source indications derived from resistivity variations. The mining industry is today mainly dependant of drilling of exploration boreholes both for localisation and further definition of the deposit. The next further development of the EM interpretation technology may result in increased use of the technology for precise identification of reservoir based mineral reserves. The recent and ongoing development of the technology may have a significant application within exploration of coal reservoirs, both for greenfield deposits and within mines in operation, and possibly also for other minerals and metals.

The concept of the EM surveys is based on the knowledge that an electromagnetic field induced into a conductive subsurface is affected by its resistivity inhomogenities (hydrocarbons, coal, metals etc.). The electromagnetic field affected by such inhomogenities propagates back to the surface where the receivers record it.

The recorded information is sufficient to create more or less detailed maps of the subsurface resistivity distribution. The recordings of electric and magnetic field contain a significant amount of natural noise, which along with equipment noise makes high-resolution interpretation of EM-data challenging. It is necessary to have a very detailed knowledge of how the energy propagates in the subsurface. In addition, advanced algorithms must be used to create the resistivity image.

The key issue is integrated analysis of EM-data and seismic/geological data. This includes numerous iterations during the EM processing/inversion to account for geological knowledge. The methodology described for marine environments is a direct analogue to onshore environments. The integration of reservoir modelling and EM-data is directly applicable to coal mining and production of coal bedded methane.

Technology license agreement

Rocksource and Nordic Mining entered into a technology license agreement in connection with the de-merger from Rocksource. The technology license agreement grants Nordic Mining a perpetual global license to all EM- and reservoir management technology applied to other resources and materials than hydrocarbons, owned or licensed by Rocksource. The Company shall not pay consideration for the use of the license.

The technology license agreement also contains:

- extensive mutual obligations and rights regarding disclosure of new developments and improvements to the technology between Rocksource and Nordic Mining;
- extensive mutual obligations and rights regarding royalty free licensing of new developments and improvements to the technology between Rocksource and Nordic Mining; and
- a right for Nordic Mining to purchase lab and engineering services from Rocksource, subject to the availability of such, that will give Nordic Mining access to the core competence of the geo-technological services team in Rocksource and their network.

EM-technology in relation to exploration of minerals and metals

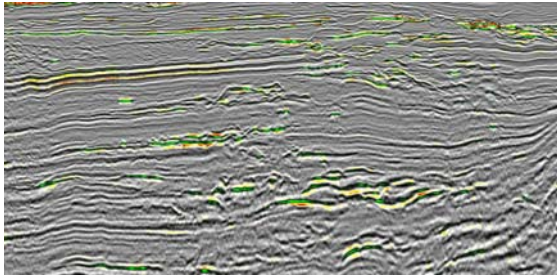
The EM-technology is an electromagnetic based technology for use in concert with traditional seismic techniques. The technology is based on the existence of different resistivity in the resources and the surrounding rocks. The usefulness is well documented for petroleum applications, but there are potential applications within mining of coal and ores. If successfully developed, EM-technology may become a cost-reducing technology with significant commercial potential. The current main objective is to develop the technology for distinguishing between sulphide-ore and graphite in shales. Testing and verification of the EM interpretation algorithms will be performed on documented and applicable deposits such as coal, graphite and sulphide metal ores.

Applicability of EM-technology for detection of hydrocarbon resources

Figure a)

Figure b)

Without EM-technology



With EM-technology

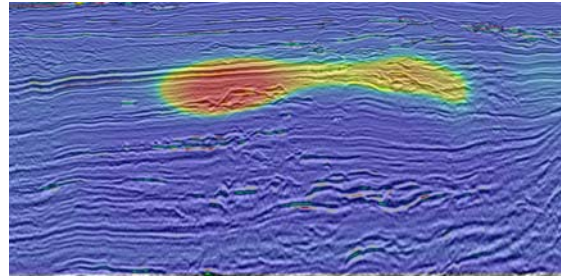


Figure a) shows a traditional seismic plot indicating several possible reservoir pockets. Figure b) indicates the response from the EM surveys at the same seismic plot, indicating resistivity differences at only two locations. (Source: Rocksource ASA)

Electromagnetic technology has significant potential for use both in the petroleum industry and the mining industry. Of particular interest to the coal industry is the crossover potential related to the combined use of CSEM data (Controlled Source Electro Magnetism) and reservoir modelling. Coal seams typically have a significant resistivity contrast to the surrounding rocks and, as such, lend itself to the CSEM technology.

Rocksource's integrated approach to the CSEM technology and reservoir modelling may be particularly beneficial for the coal industry, as the EM-data allows for identification and delineation of coal seams. Furthermore, reservoir modelling allows for building detailed models of coal distribution based on sedimentological, petrophysical and sequence stratigraphic knowledge. The combination of the two methods should thus allow for detailed understanding of coal distribution in the subsurface. This should be valuable both for exploration and production purposes.

Methane accumulations are commonly associated with coal seams (coal bedded methane) and proper mapping of coal seams, also at greater depths than that considered commercial for coal mining, may have significant implications for the coal bed methane industry, both onshore and offshore.

Rocksource today has the necessary knowledge to make use of an integrated approach (CSEM data and reservoir modelling) in the coal industry. Future technology development will have significant crossover potential to the mining industry.

Nordic Mining will through its technology agreement with Rocksource have access to such further development or may initiate such research and development by itself. Future work to bring the EM-technology from exploration into production will further strengthen this potential.

Development and testing of the EM-technology for onshore environments

The EM principle is tested and proven onshore for mining purposes and has been available for several decades. Recent key advances are related to equipment improvements, computer processing related to inversion/migration and integrated analysis. Rocksource is presently working on testing the technology onshore on currently producing oil and gas fields. These tests will secure algorithms that can be used to discover oil and gas onshore with EM technology.

7. MARKET OVERVIEW

7.1 RECENT TRENDS IN THE MINING INDUSTRY

The mining industry is fragmented by thousands of companies producing a wide specter of resources, ranging from diamonds and precious metals to base metals, industrial minerals and aggregates. For many of the resources that are produced, there are organised market places and exchanges for trading, whereas for other resources less transparent local markets seem to dominate. The industry consists of a large number of junior players and a few majors.

The initial rise in worldwide exploration started in 2003 and can be attributed to a combination of increased spending by the majors as they recognized the dearth of new projects moving up the pipeline, significantly reduced industry consolidation from peak levels in 2000 and 2001, and increased spending by the junior sector on the back of higher gold prices and rising investor interest.

Strong economic growth in Asia, and especially in China and India, led to shortages and resulting high prices for many natural resources where the peak in commodity prices for many minerals occurred during 2007. The boom up until the second half of 2008 encouraged the industry to invest heavily in capital projects and grow the top line. However, the good times turned quickly into bad times as the global economic crisis took hold during the second half of 2008 and commodity prices fell dramatically. The market capitalization of the Top 40 mining companies decreased by 62%¹ from 2007 to 2008 and a number of the largest mining companies announced mine closures, production cuts or placing of mines on care and maintenance during the first half of 2009.

The mining industry has historically been characterized by a high level of merger and acquisitions and in 2007 there were more deals than ever before as metals prices soared on rising demand from China and other emerging market countries. However, by the end of 2008 the level had plunged back towards 2005 levels.

7.2 DESCRIPTION OF DIFFERENT MINERAL RESOURCES

The mineral and mining industry comprises companies involved in extraction and processing of minerals and rocks from bedrock or superficial deposits. The different materials can be categorised into five main groups.

7.2.1 Metallic ores

Metallic ores comprise all rock types that contain minerals or metals in such a quantity that the metals can be extracted economically. Some well-known metals are aluminium, copper, gold, iron, lead, silver, titanium, uranium and zinc. They have certain physical properties; they are usually shiny, have a high density, are ductile and malleable, usually have a high melting point, are usually hard, and conduct electricity and heat well. Iron ore was the most important mineral raw material being produced in Norway in the early 1980s but has since then declined significantly.

7.2.2 Industrial minerals

Industrial minerals are minerals and rock types which are mined for their commercial value and are used in their natural state or after beneficiation either as raw materials or as additives in a wide range of applications such as paper, plastic, ceramics and glass. Industrial minerals are divided into two broad groups; bulk rocks and ore minerals. The ore minerals are mineral concentrations found in veins or in uncommon sedimentary rocks whereas bulk rocks are used as aggregates, for the production of lime, ceramics and cement, or as a product used in coal-fired electricity-generating plants for the removal of sulphur.

Examples of industrial minerals include olivine, nepheline syenite, dolomite, feldspar, quartz and talc. Norway is among the world's leading producers of olivine, nepheline syenite and ilmenite, and a significant producer of calcium carbonate.

7.2.3 Construction materials

Construction materials are natural raw materials which, after treatment, are used in constructions and diverse activities associated with building and construction sites. These materials include sand, gravel, hard-rock

¹ Source: Mine: "When the going gets tough: Review of global trends in the mining industry 2009" (PwC)

aggregate and clay. The materials are extracted from bedrock by blasting or from natural sand and gravel deposits, and then crushed and sorted to the most appropriate size for use in buildings, roads and other constructions.

7.2.4 Natural stone

Natural stone is defined as all stone that can be cut, split or hewn for outdoor use, in buildings and in monuments. There is a further distinction between slate/flagstone and dimension stone, where the latter is extracted as large blocks for then being sawed or cleaved into slabs or other forms. Examples of dimension stone include marble, granite, limestone and sandstone. Flagstone are rocks that can be split into thin sheets and include among others mica schist, phyllite and shale. Typical applications for flagstone are paving slabs, fences and roofing.

7.2.5 Energy minerals

Energy minerals comprise all rock types and minerals that release energy on combustion, including oil, gas, coal and peat. Peat is a humus-and carbon-rich substance found under the water table in bogs and is mainly used in gardening and agriculture. The coal production on Svalbard with export to Norway and other countries started in 1906.

7.3 OUTLOOK FOR THE GLOBAL MINERAL AND MINING INDUSTRY

The recent years have showed a consistent upswing in the demand for commodities resulting in a sharp increase in the market capitalisation of the global mining industry. However, this trend was dramatically reversed in the end of 2008 and after some years of soaring exploration and development activities the mining sector expects dramatically decreased investment plans along with a number of bankruptcies in the sector.

As industrialization and urbanization continues in the developing world, the Asian markets are expected to continue to grow in the medium to long term which will be the key to the underlying long-term demand for commodities. In the longer term the key demand and supply drivers that underpinned the last boom remain intact. However, the recent trend of major capex reductions and deferrals as the companies seek to manage the short-term in the downturn may leave the companies exposed to output shortages, limited growth options and skyrocketing commodity prices as conditions improve in the medium term.

The industry is likely to see considerable sector reshaping as stronger companies seize opportunities to acquire assets at low prices and the junior players struggle with access to finance. Activity by private equity players, who traditionally have been relatively absent from the sector, may also increase.

7.4 THE NORWEGIAN MINING INDUSTRY

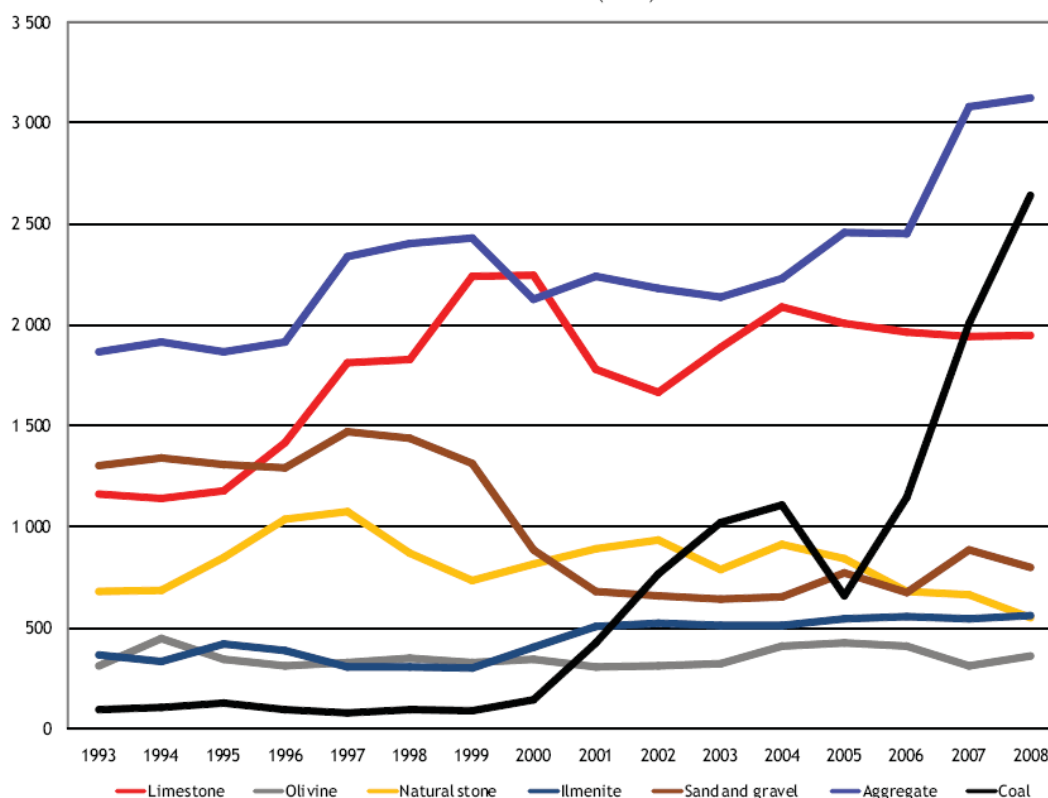
The Norwegian mining and quarrying industry has undergone a considerable growth and restructuring process the last 10 years. The production of industrial minerals has risen greatly, where the main contributor has been the increased production of limestone during the period. Production of coal from the mines at Svalbard has also increased significantly, while the production of dimension stones and quarry products has remained relatively stable during the 10-year period.

25 years ago, the state was a major player in the industry, particularly through its ownership of Norsk Jernverk, Rana Gruber and AS Sydvaranger, and its subsidiaries. Today, the Norwegian Government has reduced its ownership in most of the mining companies, only remaining as owner of Store Norske Spitsbergen Kullkompani AS at Svalbard. Most of the remaining minerals exporting companies in Norway today are partly or wholly owned by international companies.

Norwegian mineral industry, turnover

Production of Norway's most important mineral products

Values in mill. NOK (2008)



Source: Norwegian Geological survey 2008: Mineral Resources in Norway 2008

Approximately 85 million tonnes of mineral resources were extracted during 2008, representing a total value of NOK 11.4 billions. Industrial minerals and gravel and hard-rock aggregate constituted 60 per cent of total turnover. The export value equaled NOK 7.2 billion, representing 63 per cent of total turnover. NOK 2.5 billion of the export was industrial minerals and NOK 2.6 billion was export of coal from Svalbard.²

The Norwegian mining and quarrying industry is typically a coastal and regional activity. In 2008 the industry reported approximately 4,800 man-years at a total of 807 producing mines/quarries.

Norway is a considerable mineral producer by European standards with a total potential value of proven mineral resources exceeding NOK 1,000 billion. Norway's resources include a range of specialty mineral deposits that are not readily available elsewhere in Europe, such as the industrial minerals olivine and nepheline, the ore minerals ilmenite and rutile and the natural stones larvikite and anorthosite.

The prospecting and exploration activities have increased, but are still at a moderate level.

The potential application areas for industrial minerals are numerous and further growth in this segment is forecasted. It is recognised that a significant increase in R&D spending is needed to develop and exploit the future potential within the industrial minerals business in Norway.

7.5 NORDIC MINING'S PRINCIPAL MARKETS

Nordic Mining's principal projects include various products and qualities for natural rutile (TiO₂), garnet, lithium carbonate and anorthosite. The Engebø rutile project may also include aggregates products and various products from tailings from the processed minerals. The Keliber lithium project will also include tantalum pentoxide, concentrates of quartz and feldspar and crushed rock as by-products. For the anorthosite from Gudvangen, current products comprise various fractions of crushed rock. Product and market development activity is ongoing with the purpose to start production of anorthosite concentrate products for various industrial applications.

² NGU 2008: Mineral Resources in Norway 2008

Gudvangen Stein is producing various anorthosite products from its own mine in Gudvangen. The total annual production is approximately 200,000 tonnes, of which a large share is sold to producers of rock wool. The main competing products for this market segment are bauxite or other feedstock containing aluminium. Gudvangen Stein's location and short sailing time to European ports, gives Gudvangen Stein a competitive supply position versus overseas and inland competitors.

Norway is today the only producer of titanium feedstock (ilmenite) in Western Europe. In Europe as a whole, Ukraine is the only other producer. Significant quantities of natural rutile are today imported from Australia, South Africa and Africa to European pigment producers. Considering the growth of the titanium industry in the Asian markets, a new supply source in Norway is expected to be an attractive option and shift the current trade pattern for European buyers of rutile. The fast-growing demand for titanium feedstock in Asia is likely to take up the volumes today imported into Europe from Australia and Africa.

Keliber will be the first European producer of lithium carbonate, an industry being dominated by few significant players. The outlook for lithium carbonate indicates establishment of more integrated supply chains in Europe.

7.6 TITANIUM

7.6.1 Titanium feedstock: ilmenite and rutile

Titanium dioxide does not occur in nature in its pure form, but is derived from ilmenite or leucocene ores containing 45 – 65 per cent TiO₂. In addition it can be mined from natural rutile reserves with commercial typical content of 94 – 96 per cent TiO₂. So far the rutile production has been made on rutile beach sand, but hard rock deposits, including Engebø, are also candidates for the supply chain of the titanium industry. The global rutile production in 2008 was 590,000 tons. By way of comparison, the global production of ilmenite in 2008 was 5.8 million tons.

Ilmenite is the most widespread titanium mineral. The vast majority of the world's resources are found in coastal areas of Australia, South Africa, India, Brazil, Madagascar, and USA. The mineral is also found in hard rock deposits in Norway, Canada and Chile.

Ilmenite mine production 2008 – 2009e (thousands of tons TiO₂)

<u>Ilmenite</u>	2008	2009e
United States	200	200
Australia	1,320	1,210
Brazil	54	50
Canada	850	600
China	600	600
India	432	380
Madagascar	0	60
Mozambique	197	200
Norway	410	370
South Africa	1,050	1,000
Ukraine	300	270
Vietnam	330	200
Other countries	55	50
World total (ilmenite, rounded)	5,798	5,190

Source: United States Geological Survey (USGS), January 2010.

In contrast to ilmenite the vast majority of the world resources of rutile are more restricted with production concentrated in Australia, South Africa and Sierra Leone.

Rutile mine production 2008 – 2009e (thousands of tons TiO₂)

Rutile:	2008	2009e
United States	0	0
Australia	309	293
Brazil	2	2
India	20	18
Mozambique	6	6
Sierra Leone	75	60
South Africa	121	100
Ukraine	57	50
Other countries	0	0
World total (rutile, rounded)	590	529

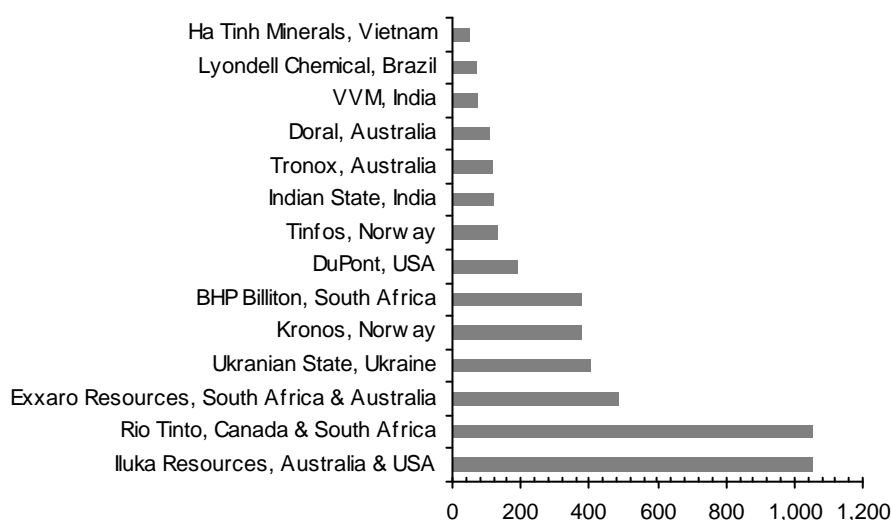
Source: United States Geological Survey (USGS), January 2010.

Usually ilmenite and rutile are mined together from sand deposits. For many sand deposits operations, by-product minerals such as monazite and zircon play a significant role economically when it comes to developing a deposit. Suction dredging is used where possible, although wet mining is also used to mine ore reserves located below the water table. Upon wet mining dredging material is then transferred to a wet plant from where it is screened and then concentrated using spiral. In ilmenite hard rock deposits the ore has to be mined and crushed and the ilmenite has to be separated out. The separation process is expensive which implies that ore grade requirements should be high.

Some deposits are mined mainly for their zircon and rutile contents, notably deposits at the east coast of Australia. In these cases ilmenite is separated from the other minerals at the concentration stage using wet high intensity magnetic separation. The ilmenite may then be returned to the tailings, stockpiled at the mine site or sold for low value applications such as sandblasting.

Because of the limited resources of naturally occurring rutile, the mining industry has developed two beneficial products that are used as substitutes for natural rutile: synthetic rutile and titanium slag. Both products are produced by upgrading ilmenite by removing iron oxide and other impurities.

TiO₂ feedstock production in thousand tons by major producers in 2005



Source: Roskill, 2007

As Norway and Ukraine are the only producers in Europe, there are large quantities of ilmenite and rutile being imported to European pigment producers from suppliers in South Africa and Australia. Hence new supply sources of titanium feedstock in Western Europe will likely replace some of these imports.

7.6.2 Process routes – Chloride and Sulphate

The titanium feedstock is upgraded through two main processing routes, the sulphate and the chloride processes. The first uses sulphuric acid as extraction agent, the second uses chloride. One factor that has led to the increase in capacity to upgrade ilmenite into beneficiated slag or synthetic rutile is the trend in the TiO₂ pigment industry towards greater chloride route capacity, which requires higher quality feedstock.

In TiO₂ production, the chloride process is favoured for two main reasons; firstly, TiCl₄, the intermediate product, is easily purified and oxidised to a superior pigment and chlorine; secondly, it is easier to produce exact TiO₂ particle distributions. In this process higher quality feedstock is required to minimize chlorine consumption and to prevent operational difficulties, which generally is not tolerant of high impurity levels. In the sulphate route, the production of TiO₂ pigment, ilmenite and Ti slag are directly reacted with sulphuric acid to produce titanium sulphate and iron sulphate. The titanium sulphate is subject to selective thermal hydrolysis to produce hydrated TiO₂. This is further washed and calcined to produce titanium pigments.

Comparing the two routes and considering the trend to move to the chloride processes, one factor is lower associated costs. But industry experts also emphasise that the chloride route TiO₂ pigment has better properties for the premium grade coatings. These properties are colour brightness, covering ability, durability and gloss. This is the major factor behind the decline in sulphate pigment use and the trend away from the consumption of sulphate grade ores. These are mostly low-grade primary ilmenites and slags made from high alkali/high iron content ilmenites.

The chlorination reactors for rutile, synthetic rutile, slag and ilmenite are similar, but the higher volume of chlorine required for ilmenite reduces capacity. For high grade ores the process is more efficient and simple.

Du Pont, the world leader in the pigment industry, uses blends of the various raw materials and decides the blend based on price of raw materials including ore, coke, chlorine and waste processing.

Requirement for secondary ilmenite among pigment producers for both synthetic rutile as well as chlorination grade ilmenite has led to increasingly strong demand for the minerals. Escalating costs of chloride and waste processing have also been drivers for producers to use higher-grade ores. Producers have responded by expanding slag capacity to maximize profits from valuable iron co-product and use of higher-grade content ilmenite.

7.6.3 Trend for higher-grade feedstock due to environmental benefits

Pigment production based on rutile has less environmental challenges than pigment production based on ilmenite. The chloride process, using a rutile feed, generates about 0.2 ton of waste per ton of TiO₂ product. For the sulphate process, using ilmenite the waste volume is 3.5 tons, and for synthetic rutile using ilmenite the waste volume is 0.7 ton. Direct chlorination of ilmenite generates 1.2 tons of waste per ton of TiO₂.

7.6.4 The TiO₂ value chain

The dominant application of titanium dioxide is as feedstock for pigment manufacturing, and titanium dioxide is the most widely used white pigment. Approximately 90 per cent of the titanium dioxide is supplied into the pigment industry with a sales value of USD 9.8 billion for a volume of 5 million tons.

The top five titanium feedstock producers supplied 72 per cent of the market in 1999. In 2005, this figure went down to 60 per cent due to new producers and smaller players. The current leading producers are:

- ,- Iluka Resources
- Rio Tinto
- Exxaro Resources
- Kronos Inc.
- BHP Billiton

Some 58 per cent of the pigment becomes part of the raw materials for manufacturing of paint and coating. This supply is worth around USD 30 billion. In the pigment part of the chain the concentration of production has been high for a long time. The top five pigment producers supplied just over 70 per cent of the market in 2004, compared to just below 70 per cent in 1999.

Main applications for the total TiO₂ pigment products are:

Paint and coating	58 %
Plastics	23 %
Paper	11 %
Other	8 %

Sales of paint and coating worldwide are estimated to USD 65 billion for some 19 million tons of products.

Source: *Industrial Minerals Magazine*

7.6.5 TiO₂ market trend

The conditions of the global economy are a key factor to the TiO₂ industry. Growth in GDP usually leads to higher TiO₂ demand and vice versa. With the strong growth in global GDP between 2002 and 2004 the TiO₂ sector grew from its low of early 2000s to 4.4 million tons in 2004. Overbuying and re-stocking ahead of price rises in 2005 was one explanation for slower uptake of TiO₂. In 2006 and 2007 further price increases have been observed. The Chinese pigment market is expected to grow with an average of 15 per cent per year in the next five years. Stronger growth is also expected in Russia, India and Eastern Europe.

Pigment production and producers

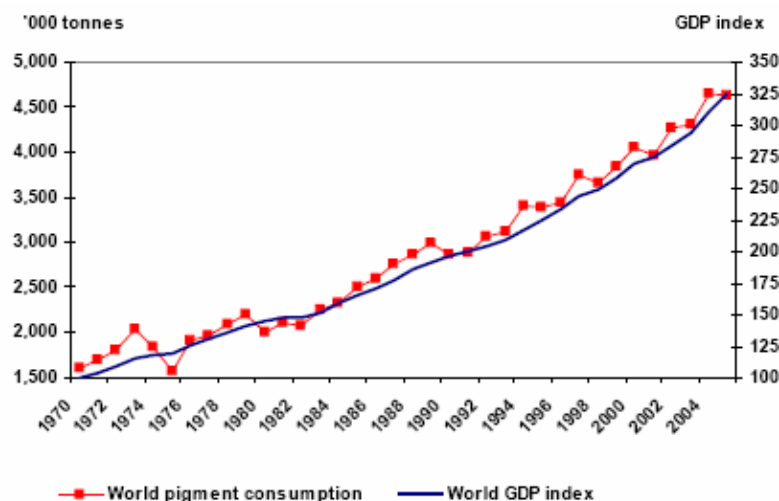


Fig. 6.5.5: Source: *Iluka MARKETING OVERVIEW* September 2006
www.iluka.com

7.6.6 Titanium metal applications

Titanium metal, with its physical and chemical properties, represents a material for new technological and environmental innovative applications. Titanium metal is the best corrosion resistant metal available; it has double strength of steel and has less weight. Areas of usage are e.g. aerospace, defence, automobile, construction, offshore, healthcare, chemical industry, power and sporting goods. The production volume of titanium metal is significantly lower than the volume of pigment. The metal production has however high value and strong growth expectations.

The global titanium sponge production was in 2005 just in excess of 100,000 tons. Industry analysts have forecasted production to increase to a level around 200,000 tons in 5 years time. The major consumption areas are the USA, Europe, China, Japan and Russia, whilst the dominant producer countries are Kazakhstan, Japan, Russia and USA.

The strong growth in the titanium metal market during the last two years has caused a significant increase in price. The sponge was priced at USD 6–7 per kg in the period 2003 – 2005. After reaching peak prices in the area of USD 15-30 per kg in 2005 and 2006, prices have been in the area of USD 8-10 per kg in 2008 and 2009..

(Source: Industrial Minerals Magazine).

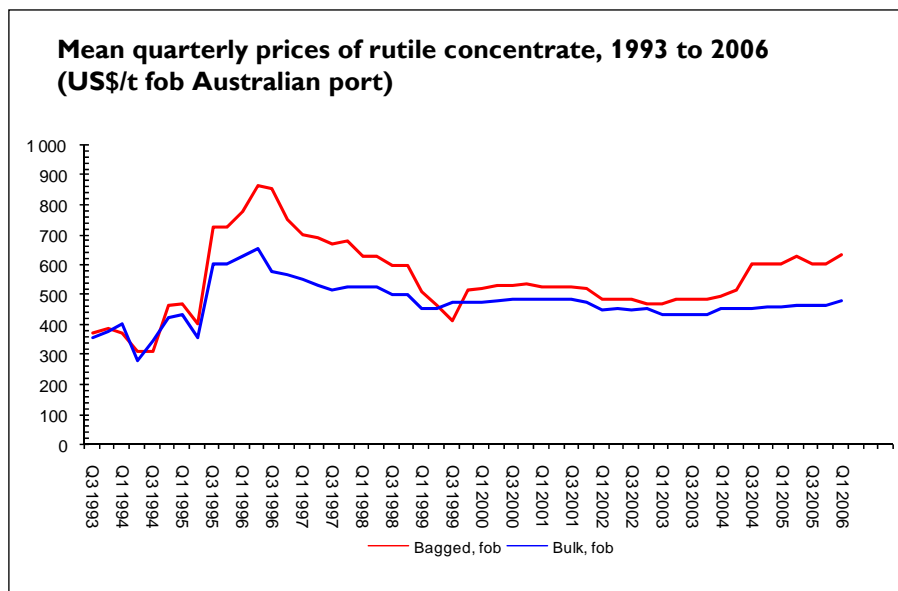
7.6.7 Price development of titanium feedstock

Over the 15 years period from 1991 to 2005 the TiO₂ feedstock producers saw the prices of their products dropping, both in nominal and real terms. The development can be seen for both ilmenite and rutile. One explanation presented for the price drop is the high structural fixed cost, forcing the producers to operate as long as cash margins are positive, causing an undermining effect on prices in a competitive market.

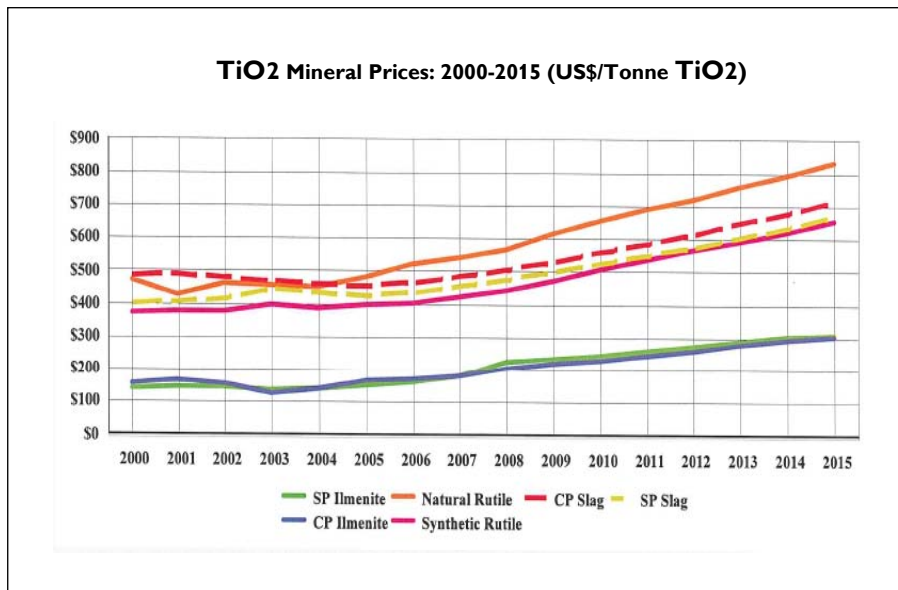
In 2005 the ilmenite price was reported at 80 USD/ton bulk fob Australian port and rutile at 470 USD/ton under same delivery terms.

The price development for ilmenite has shown a fairly stable development in 2006 and into 2007. The price for rutile is for March 2008 reported to 475–500 USD per ton, fob Australia for pigment grade, and 650–720 USD per ton for welding grade. DuPont has indicated prices up to USD 720 per ton.

A TiO₂ pigment producer price index has gone up from 161 to 174 from first quarter 2005 to first quarter 2006, and announcements from the major pigment producers of additional price increases have been observed during 2007.



Source: Roskill Information Services Ltd. July 2007



Historic price development and forecast for various titanium feedstocks
 Source: IBMA, March 2009

7.7 GARNET

The world production of industrial garnet is estimated to above 500 000 tons per year and growing at a rate of 3 – 5 per cent. The major garnet producing nations are Australia, India, China and USA.

The price range of industrial garnet is based on the application, quality, quantity purchased, source, and type. There is no exchange or market price available and the price and terms are not published except for indications outlined in some trade journals. Market prices ranges from USD 200-500 per ton, dependant on quality and application.

The majority of industrial garnet is used as a loose-grain abrasive because of its hardness, which ranges from 6.0 to 7.5 on the Mohs scale. Lower-quality industrial garnet is used as a filtration medium in water-purification systems because it is relatively inert and resists chemical degradation.

High-quality, high-value garnet grain principally has been used for such applications as optical lens grinding and plate-glass grinding for more than a century; industrial diamond and fused aluminum oxide are competitors. In recent years, industrial garnet powders have been used for high-quality, scratch-free lapping of semiconductor materials and other metals. Other industrial applications include the manufacture of coated abrasives; hydrocutting; and the finishing of wood, leather, hard rubber, felt, and plastics. Garnet is replacing silica sand in the blast cleaning market. This market displacement is happening because of the health risks associated with the inhalation of airborne crystalline silica dust having curtailed its use in blasting (Source: Harris, 2000).

Worldwide end uses and their estimated market shares are; abrasive blasting 60 per cent, waterjet cutting 20 per cent, water filtration 10 per cent, and other end uses 10 per cent (Source: USGS). Markets for waterjet cutting and blasting media are expected to exhibit the highest growth.

Waterjet is considered unparalleled technology in many respects; not only for its precision, but also for its environmentally friendly characteristics. Waterjets can perform tasks with a simple mixture of water and abrasive materials such as high quality garnet, replacing harmful chemicals that were used in the past. Waterjet technology is on the rise in many engineering fields and holds many advantages over existing technology. The new waterjet machines have six-axis capability able to precisely sculpt three-dimensional objects, a vast improvement over previously available machines which operated in only two-dimensions.

Garnet properties as industrial mineral:

- Garnet has no free silica and hence does not cause dust and silicosis in its industrial applications unlike silica sand or quartzite.

- Garnet is non-toxic, inert and hence environment (eco) friendly.
- Garnet's grain hardness / toughness improves efficiency in blasting and reduces the break-down percentage on impact. About 65 per cent of garnet used for abrasive applications (not waterjet cutting) can be recovered and recycled.
- Almandine garnet (sp.gr. 4.0-4.2) makes 3 or 4 times higher impact than quartz grains (sp.gr. 2.5-2.6) of the same size.
- Garnet is well suited for abrasive blasting / surface cleaning in fields like shipyards, petrochemical industry, building industry, non-ferrous surfaces etc.

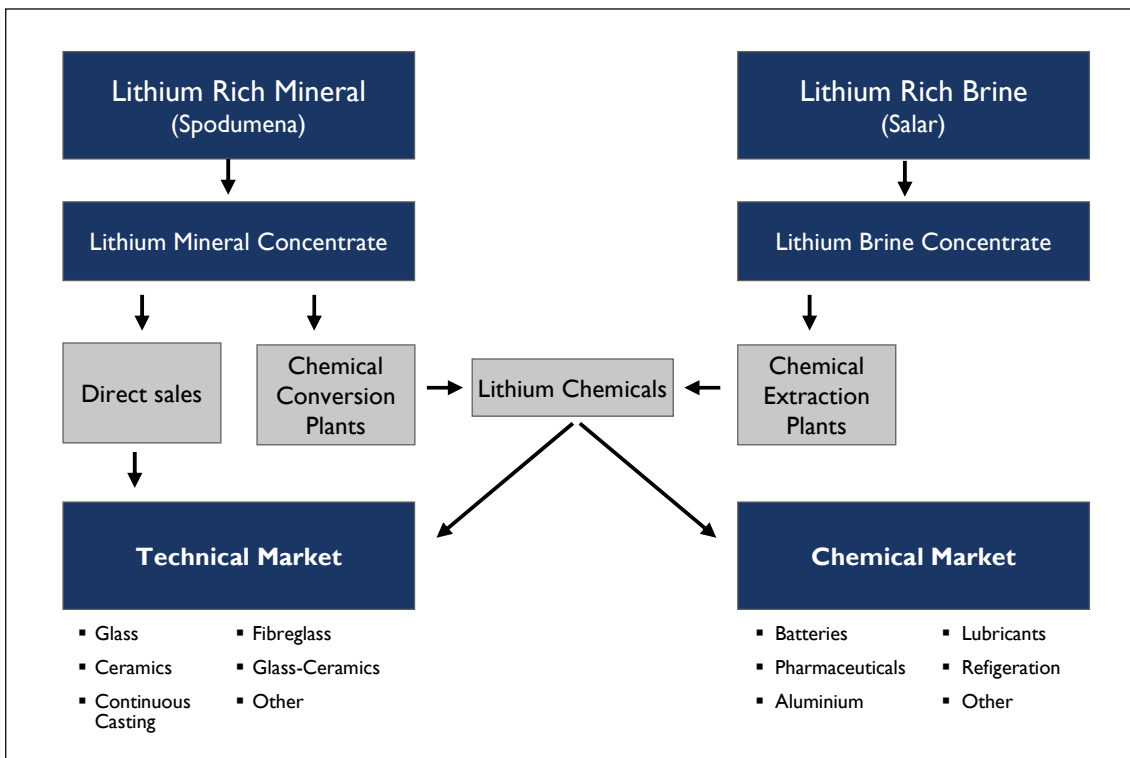
7.8 LITHIUM

Lithium (Li) is a chemical element. It is a soft alkali metal with a silver-white colour, the lightest metal with the least dense solid element, highly reactive, corroding quickly in moist air to form a black tarnish, and it has a high electrochemical potential.

Lithium does not occur free in nature. It is found combined in different amounts in igneous minerals and salts including various types of rocks, brine lakes and sea water. Important minerals containing lithium are lepidolite, spodumene, petalite and amblygonite. On a commercial scale, lithium is extracted from brine lakes and mineral deposits.

The lithium markets can be divided between lithium chemicals, sourced from brines or minerals, and lithium minerals (concentrates) consumed directly in various industrial applications. Lithium chemicals, which comprise a broad variety of different chemicals, account for approximately 80 per cent of the total lithium consumption. Lithium carbonate represents approximately 40 per cent of the total global consumption of lithium chemicals.

Below is a principal illustration of the main lithium sources and application areas:



Source: Talison Lithium Limited, 2009

Lithium derivatives

Lithium carbonate (Li_2CO_3) is a fine white powder (1 ton of lithium carbonate = 188 kg lithium metal) used inter alia in;

- Fuel cells, electricity cogeneration
- Glass industry, optics, screens, container glasses
- Enamels, iron coating
- Heat-resistant glass and ceramics, telescope mirrors, kitchen glass
- Aluminum production
- Construction, concrete

Lithium hydroxide ($\text{LiOH}\cdot\text{H}_2\text{O}$) has its main applications within;

- High performance greases, lubricating greases
- Lithium chloride (LiCl)
- Welding fluxes, aluminum heat exchangers

Butyllithium ($\text{C}_4\text{H}_9\text{Li}$) is used for inter alia;

- Rubber and plastics market, tire industry, pharmaceuticals
- The neurological effect of the lithium ion Li^+ makes some lithium salts useful as a class of mood stabilizing drugs

Lithium demand and price development

Demand level for lithium was close to 80,000 tonnes lithium carbonate equivalent (LCE) in 2005. In 2008, the estimated consumption had increased to around 113,000 tonnes LCE (Roskill estimate).

Over the last years, the largest growth application area has been rechargeable batteries which have had an estimated compounded annual demand growth between 2000 and 2008 of more than 20 per cent. Growth in the use of lithium ion batteries has been driven by the rapid expansion in the portable consumer electronics sector. Nearly all mobile phones and over 90 per cent of laptop computers have incorporated lithium-based rechargeable batteries. Lithium-based batteries have higher energy density and lighter weight than nickel-cadmium and nickel-metal hydride products.

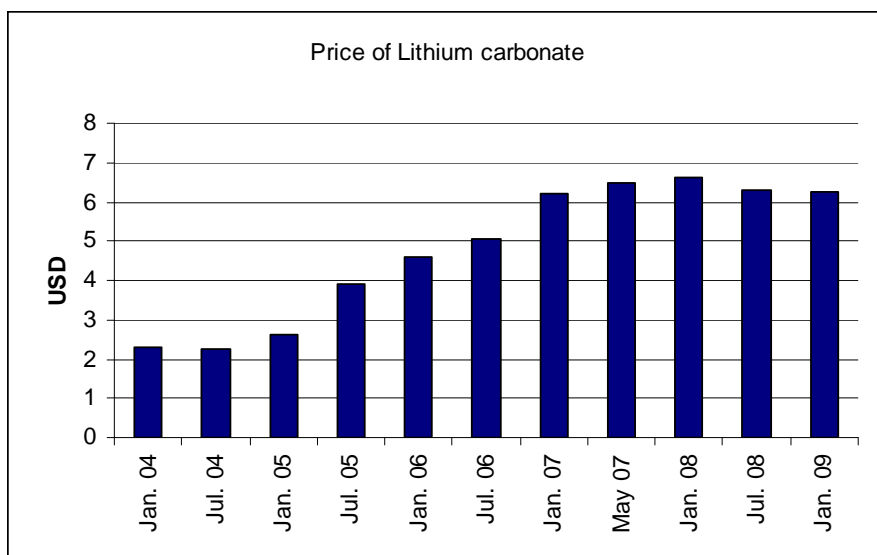
Increasing demand has over the last years and through 2008 generated a significant increase in the prices of lithium carbonate and other lithium derivatives. Prices stabilised to a large extent in 2009. Information from the Industrial Minerals magazine indicated a general price level around USD 6.50 per kg lithium carbonate in 2009. For special high purity qualities (battery grade lithium carbonate) market information indicates prices in the range USD 9 – 12 per kg. In October 2009, the Chilean producer SQM announced a 20% price reduction in lithium chemical prices on renewal of existing contracts. The market impact of SQM's announcement is uncertain, both with regard to standard products and specialised qualities.

There is no official exchange or market price for lithium carbonate products. Prices are set in negotiations between producers/sellers and customers. Prices vary according to i.a. product quality (mainly depending on lithium purity and/or types of impurities in the product) and duration of contract period. Lithium carbonate used for battery chemicals/materials is generally of high purity and with strict specifications regarding impurities that can possibly harm electrochemical properties in battery applications.

Roskill Information Services ("Roskill") is one of the world's leading providers of information on international metals and minerals markets incl. lithium products. Also Industrial Minerals magazine provides information of lithium carbonate based on market information/observation.

The following graph illustrates price development for lithium carbonate in the period 2004 to 2009 based on information from Industrial Minerals magazine and Company information.

Price development for lithium carbonate



The prices were stable until 2004/2005 when demand growth resulted in significant price increases through and included 2008. The prices level out in the range USD 6 – 7,000 per ton in 2009. In the last quarter of 2009, the world’s largest producer of lithium carbonate announced a 20 per cent price decrease for lithium chemical products including lithium carbonate on renewal of existing contracts. The effect of this announcement in the market is not known as a substantial part of traded volumes are presumed to be on longer term contracts.

Battery grade lithium carbonate is informed to trade at significant price premium compared with average/standard qualities. This premium is indicated in the graph above. There is no official source of market information for special battery grade lithium carbonate. According to information, high purity battery grade lithium carbonate was traded at prices in the range USD 9,000 – 12,000 per ton in early/mid 2009.

Lithium Carbonate supply

The main producing countries of lithium chemicals and minerals are Chile, USA, Argentina, China, Australia and Russia. Chile and Australia account for nearly two-thirds of world output. There is no current production of lithium carbonate in any Nordic or European countries. In the future, China might develop a stronger supply position.

Large producers of lithium chemicals (Roskill’s estimated market shares in brackets);

- SQM, listed (40 per cent)
- Chemetall/Rockwood, listed (33 per cent)
- FMC Lithium, listed (21 per cent)
- CITIC, state owned, and other Chinese producers (6 per cent)

7.9 ANORTHOSITE

The anorthositic rock bodies in the Inner Sogn- Voss area where Gudvangen Stein’s mine is located, are of large dimensions and of interest to a number of industries due to its high aluminium content. The anorthosite in this area is almost a monomineralic, felspathic rock and it represents a high quality rock aggregate as well. The low content of dark minerals and a minimal number of dykes of other rocks within the anorthosites are favourable factors in several applications.

The material from Gudvangen Stein is used in a number of stone wool plants in North Europe, mainly due to the high aluminum content, around 30 per cent aluminium oxide. The stone wool industry has been served with anorthosite from Gudvangen since the 1990’s and is today the main market segment for Gudvangen Stein. Prospects for use of stone wool insulation in Europe shows increased demand mainly due to new building regulations in EU in the years ahead. Focus on energy consumption in buildings and constructions and environmental aspects are expected to impact demand for stone wool insulation products and thus also the demand for anorthosite as raw material for such production.

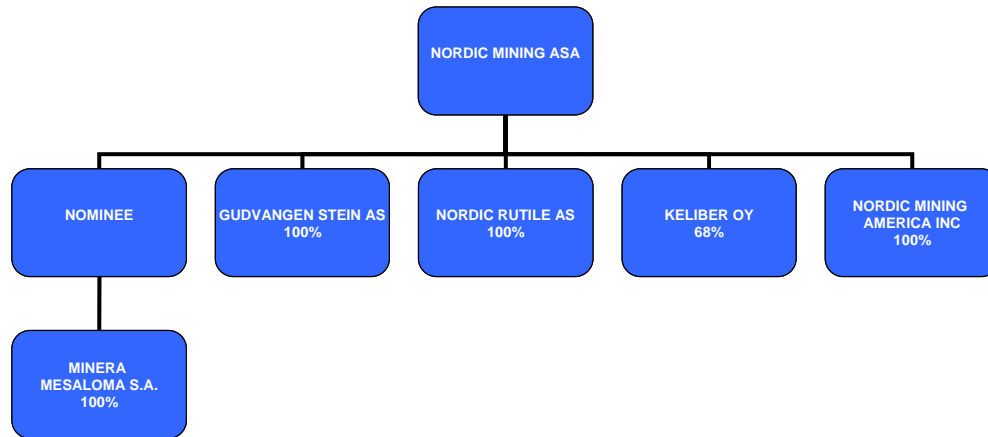
On Gudvangen Stein's property there has been underground mining activity since the mid 1960s. Products have mainly included bluish white road aggregate and to a certain extent white concrete elements. With an increasing focus on road and traffic safety, Gudvangen Stein observes a steady growing attention to the reflexing white color of the aggregate. Especially the asphalt industry on the European continent has shown a growing demand for it. Important in this respect is also the mechanical strength of the rock, which meets high quality standards for top layers of asphalt. The most important elements here are the polished stone value of 58 and the Los Angeles value of 13.

By using a set of separation technologies, the anorthosite from Gudvangen can be concentrated to higher value raw materials for several industrial applications. A number of process steps are tested and evaluated and an important element is to reduce the iron content. Market outlets for such products will be investigated in industries where anorthosite can be used as filler and as a source for aluminium. For Nordic Mining this is expected to represent a move to higher value products for the anorthosite in Gudvangen in line with the key strategic objective of the Company.

Anorthosite from Inner Sogn, suitable for acid leaching has over the years drawn quite some attention and research activities in order to utilize it as a raw material for production of aluminium metal. The process methods tested out so far has not resulted in commercial activities. Nordic Mining and Statoil (previously StatoilHydro) have in cooperation with the Norwegian Institute for Energy Technology (IFE) completed initial studies to develop and test new technology for mineral processing and binding of CO₂. The initial project has been executed at IFE's laboratories at Kjeller. Minerals characterisation, analysis and testing of various reaction principles have been part of the initial project. The tests verify that aluminium feedstock (gibbsite) of satisfactory quality can be produced based on the anorthosite in Gudvangen. The reaction rate in the tests has, however, so far been too low for industrial scaling of the technology.

8. ORGANISATIONAL STRUCTURE

8.1 LEGAL STRUCTURE



Nordic Mining holds 100 per cent of the shares in Gudvangen Stein AS, Nordic Rutile AS and Nordic Mining America Inc., a US limited liability company registered in March 2008. At present, Nordic Rutile AS and Nordic Mining America Inc. do not conduct any business.

The law firm Teran Moscoso Abogados Cia. Ltda. holds all shares in Minera Mesaloma S.A., a limited liability company incorporated and existing under the laws of Ecuador, on a nominee basis on behalf of Nordic Mining. Minera Mesaloma S.A. is a vehicle for Nordic Mining's potential operations in Ecuador.

Nordic Mining holds 68 per cent of the shares in the Finnish limited liability company Keliber Oy, while the eight founders of Keliber hold the remaining 32 per cent. Nordic Mining has a pre-emptive right to acquire shares from the minority shareholders should they want to divest their shares in Keliber. Nordic Mining's shareholding in Keliber may increase depending on the structure of the financing of Keliber in connection with investments related to the lithium project. For further information, please refer to Section 6.6.3.

9. PROPERTY, PLANTS AND EQUIPMENT

The Company leases administrative office space located in the city centre of Oslo, Norway. The facilities serve as the general corporate and operational headquarters.

As of today Nordic Mining's main tangible fixed assets relates to the Gudvangen Stein deposit and the operations of Gudvangen Stein and consists of (i) ownership over the properties Jordalsnuten at land number 61 and title number 8 and Glasshammaren at land number 61 and title number 9 in Aurland municipality, (ii) lease of port area from Gudvangen Hotel & Motell at land number 64 and title numbers 3.4 and 14 in Aurland municipality, (iii) ownership of buildings, machinery and equipment, and (iv) lease of machinery and vehicles. All these assets have been pledged in favour of Sparebanken Vest in an amount corresponding to approximately NOK 55 million as security for loans and any outstanding accounts towards the bank. The remaining loan amount is NOK 9.3 million with a current nominal interest of 7.45 per cent per annum. In addition, Gudvangen Stein has a bank overdraft (kasskreditt) limit of NOK 1 million with Sparebanken Vest. The overdraft facility is on the date of this Prospectus not used.

The anorthosite resource in Gudvangen Stein are estimated to be at least 500 million tons. Gudvangen Stein is currently producing a total of approximately 200,000 tons per year, consisting of the following products:

▪ Feedstock for stone wool production	130,000 tons
▪ Light aggregates to road asphalt	40,000 tons
▪ Decoration and local aggregates fractions	30,000 tons

The production in Gudvangen Stein consists of underground mining, with subsequent crushing to the various product specifications. It is estimated that Gudvangen Stein has capacity to produce up to 400,000 tons per year. Gudvangen Stein is located in the Aurland municipality in the county of Sogn og Fjordane.

The Exploration Rights at Engebøfjellet, as described in Section 6.6.1, are encumbered with a pledge in favour of ConocoPhillips Investments Norge AS as security for the contingent liability. Production from Engebø is scheduled to commence in 2014.

Keliber has mining concession to a spodumene granite deposit at Länntä in Central Ostrobothnia in Finland. The Länntä deposit is located in the municipality of Kokkola. The resource estimate for Länntä is 3 million tons of lithium bearing spodumene pegmatite. Keliber has exploration rights for the Emmes and Jänislampi deposits and claim reservations for an acreage totalling 56 km² in the Ostrobothnian lithium province.

Keliber will produce a total of approximately 125,000 tons of product per year, consisting of the following product categories:

- Lithium carbonate	4,000 tons
- Tantalum pentoxide	15 tons
- Quarts and feldspar concentrates or a combination	120 000 tons

Keliber's production in Central Ostrobothnia is scheduled to commence in 2013 (preliminary schedule). The planned operation consists of open pit mining, enrichment, conversion, leaching and precipitation.

Keliber's process plant for lithium carbonate production will be located at Kalavesi in the municipality of Kaustinen. The distance from the Länntä deposit to the process plant is approximately 25 km.

Nordic Mining has no committed investments in tangible fixed assets for any of its main projects at Engebø, Keliber or Gudvangen Stein. Any future investments in connection with ongoing project development for these projects will be further verified and decided on a case by case basis after completion of feasibility studies for each individual project. Investments related to the various projects are discussed in Section 6.2 and in the Sections 6.6.1, 6.6.2 and 6.6.3.

A summary of preliminary, uncommitted investment estimates for Nordic Mining's mineral projects in Engebø, Keliber and Gudvangen Stein is given in the table below.

Project	Current preliminary investment estimate (not committed)
Engebø rutile project	NOK 1,500 million
Keliber lithium project	NOK 320 – 400 million (EUR 40 – 50 million)
Gudvangen Stein anorthosite processing	NOK 40 – 50 million
Total	NOK 1,860 – 1,950 million

The Company is not aware of any environmental issues that may affect the Company's utilisation of its assets, other than the general environmental issues pertaining to companies operating within the mining industry as further described in Section 2.2.

10. CAPITAL RESOURCE

Working capital statement

In the opinion of Nordic Mining, the Company's working capital is not sufficient to cover present requirements for the next twelve months.

The working capital needed for the operations of the Company will vary substantially with the operations of the Company, which may be scaled up or down depending on available financing. Without selling of assets or receiving any other financing, the Company expects to run out of working capital within 9 to 12 months. The expected need for working capital in addition to the net proceeds from the Private Placement and the Subsequent Offering, assuming that the Subsequent Offering is fully subscribed, during the next 12 months is approximately NOK 30 million provided a normal running of the operations of the Company and no sale of assets.

The Company plans to cover this shortfall and improve the working capital by equity issues and if necessary, decrease in activity level, reduction of expenditure, halt to acquisitions and possible sale of assets. Based on previous experience the Company is very confident that the Company will be able to raise sufficient equity prior to and without having to reduce its activity level or sell assets. The Company is, however, able to reduce its activity level in running and new projects on short notice and halt acquisitions, and thereby the Company is very confident that it may reduce its costs significantly. The assets of the Company are to a large extent easily tradeable and the Company is very confident that it will be able to raise sufficient funds through a sale if necessary. The Company may initiate sales processes on short notice. In the opinion of Nordic Mining, the combined efforts of possible reduction of activity and expenditures, equity issues and sale of assets will provide the Company with sufficient funds for a longer period than the next twelve months

Capitalisation and indebtedness

At 31 December 2009 the Company had the following capitalisation and indebtedness:

	31/12/2009
	Unaudited
CAPITALISATION (NOK 1000)	
Total current debt	
Guaranteed	0
Secured	969
Unguaranteed/unsecured	14,460
Total current debt	15,429
Guaranteed	0
Secured	8,364
Unguaranteed/unsecured	17,811
Total non-current debt	26,175
Total debt (a)	41,604
Shareholders' equity	
Share Capital	9,547
Legal reserve	129,484
Other reserves	-102,303
Non-controlling interest	8,792
Total shareholder`s equity (b)	45,520
Total Capitalisation (a+b)	87,124

Note: Deferred tax liability of NOK 9.99 million is not included in the table.

	31/12/2009
	Unaudited
INDEBTEDNESS (NOK 1000)	
Cash	7,782
Cash equivalent	-
Trading securities	-
Total liquidity (c)	7,782
Current financial receivables (d) -	3,986
Current bank debt	969
Current portion of non-current debt	1,451
Other current financial debt	12,432
Current financial debt (e)	14,852
Net current financial indebtedness (e-c-d) (f)	3,084
Non-current financial receivables (g)	0
Non-current bank loans	8,364
Bonds issued	-
Other non-current loans ⁽¹⁾⁽²⁾	17,811
Non-current financial indebtedness (h)	26,175
Net non-current financial indebtedness (h-g) (i)	26,175
Net financial indebtedness (f+i)	29,259

The tables above should be read together with the Company's preliminary, unaudited consolidated financial statements for 2009 and the related notes thereto. To the best of Nordic Mining's knowledge, the capitalisation and indebtedness as per 31 December 2009 provide a fair and valid documentation of the Company's financial condition as per this date.

As previously described in this Prospectus Nordic Mining concluded the Private Placement in February 2010 with estimated net proceeds of NOK 18 million. This additional capital improves the Company's financial condition. In the capitalisation and indebtedness table above the proceeds from the Private Placement affect the following lines with the said amount (NOK 18 million):

Total shareholders' equity (b)	+NOK 18 million
Total capitalisation (a+b)	+NOK 18 million
Cash/Total liquidity (c)	+NOK 18 million
Net current financial indebtedness (f)	+NOK 18 million
Net financial indebtedness (f+i)	+NOK 18 million

Net proceeds from the Subsequent Offering will further improve the Company's financial condition. Net proceeds from the Subsequent Offering will affect the same lines in the capitalisation and indebtedness table as for the proceeds from the Private Placement.

With exempts for the Private Placement and the Subsequent Offering, there have been no events subsequent to the end of 2009 that would in a material way influence the capitalisation and indebtedness presented in this Prospectus.

The Company's equity to asset ratio as per 31 December 2009 is 47 per cent and the Company's debt/equity ratio as per 31 December 2009 is 20.4 per cent.

As of 31 December 2009 the Group had NOK 7.8 million in cash and cash equivalents where all of it is held in Norwegian kroner (NOK)

As of 31 December 2009 the Group had NOK 9.3 million in interest bearing debt including first year's amortisation of long-term debt. All interest bearing debt is in Gudvangen Stein and relates to bank loan with Sparebanken Vest. The bank loan has variable interest rate; currently 7.45 per cent. The loan was established in 2008 and has, after extension from the bank in January 2010 maturity in 2019. Amortisation of the loan will be from 2011 to 2019. The bank loan is secured with senior collateral in Gudvangen Stein's assets. Further, Nordic Mining has granted a security for the loan limited to NOK 3.5 million. Under the current loan agreement, dividend payments from Gudvangen Stein to Nordic Mining are subject to approval from Sparebanken Vest. This restriction is, however, not expected to influence the Company's ability to meet its financial obligations or materially affect, directly or indirectly, the Company's operations.

The Group has not entered into any contracts or agreements related to hedging of financial risks.

The Company has a contingent liability to ConocoPhillips Investments Norge AS of NOK 40 million related to the acquisition of the mineral deposit in Engebøfjellet which materialises if and when commercial production from the deposit commences. Compared with total preliminary estimated investments in the Engebøfjellet project (approximately NOK 1.5 billion), the contingent liability is limited.

Capital resources

Nordic Mining raised NOK 20 million (gross proceeds) through the Private Placement in February 2010. The share premium resulting from the share issue less the direct expenses has been transferred to the Company's share premium fund.

In the 12 month period from the date of this Prospectus, the Company expects that cashflow from operations will not be sufficient to cover the costs for exploration and further business development. Consequently, possible other equity issues might be used in connection with the Company's business development. Nordic Mining plans to finance the Engebø rutile project and the Keliber lithium project partly from equity and partly with new debt in a dedicated subsidiary for the Engebø project and in Keliber. Possible new acquisitions or development of large projects will be financed separately with loans, equity, or a combination of this, depending on availability and market conditions. On a general basis, Nordic Mining will also evaluate options with partner(s) who will pay for a stake in the subject project.

Description of cash flows

The Company's consolidated cash flows in 2009, 2008, 2007 and 2006 can be summarised as follows:

Consolidated cash flow statement	2009	2008	2007	2006
<i>(Amounts in NOK thousands)</i>	<i>01.01-31.12</i>	<i>01.01-31.12</i>	<i>01.01-31.12</i>	<i>08.05-31.12</i>
	Unaudited	Audited	Audited	Audited
Net cash used in operating activities	(24,049)	(21,243)	(24,181)	(2,898)
Net cash used in investing activities	(920)	(9,421)	(17,276)	(10,000)
Net cash from financing activities	(7,301)	47,990	54,873	23,173
Net change in cash and cash equivalents	(32,270)	17,326	13,417	10,275
Cash and cash equivalents at beginning of period	39,772	23,692	10,275	-
Cash and cash equivalents at end of period	7,782	39,772	23,692	10,275

Consolidated operating cash flow in 2008 and 2009 reflect the activities related to exploration and development of the Company's projects. Nordic Mining's revenues from sales are related to Gudvangen Stein. The main investments in 2008 and 2009 relate to the acquisition of 68 per cent shareholding in Keliber and various production equipment in Gudvangen Stein.

11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

The Company has had limited capitalised investments in 2009. The main investments are various production equipment in Gudvangen Stein. The Company also paid the second installment to the former shareholders of Keliber Oy in accordance with the acquisition agreement from 2008.

Nordic Mining has initiated various development projects that have been granted financial support from various governmental institutions i.a. the Norwegian Research Council (“Forskingsrådet”) and Innovation Norway (“Innovasjon Norge”). In Finland, Nordic Mining through Keliber has initiated and participated in projects that have been granted financial support from various governmental institutions i.a. the National Technology Agency of Finland (“TEKES”). No expenditures on these projects have been capitalised in 2009.

11.1 PATENTS AND LICENSES

Apart from the perpetual global licence to all EM- and reservoir technology developed by Rocksource ASA applied on other resources and materials than hydrocarbons as further described in Section 6.6.4, and the exploration rights as further described in Section 6.5.1, 6.6.1, 6.6.2 and 6.6.3, the Company holds no patents or licences of material importance for the business of the Company. If and when the Company’s mineral rights are ready for extraction and mining, various licences are required related to operation and environment, i.e. waste disposal permits etc.

12. PROFIT FORECASTS OR ESTIMATES

This Prospectus does not include any profit forecasts. It contains preliminary consolidated financial statements (unaudited) up to 31 December 2009.

13. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

13.1 BOARD OF DIRECTORS

In accordance with Norwegian law, the Board of Directors is responsible for conducting the Company's affairs and for ensuring that the Company's operations are organized and controlled in a satisfactory manner.

The table below sets forth the composition of the Board at the date of this Prospectus:

Name	Position	Current position and business address
Dag Dvergsten	Chairman	Director, Dag Dvergsten AS, Munkedamsveien 45, 0250 Oslo, Norway
Camilla Fiskevoll	Deputy Chairman	Partner, Kluge Advokatfirma DA, P.O. Box 1548 Vika, 0117 Oslo, Norway
Egil Martin Ullebø	Board member	Consultant, Nils Pedersensv. 6, 1721 Sarpsborg, Norway
Anne Dæhlie	Board member	Manager in the Department of Strategy in Statkraft AS, P.O. Box 200, Lilleaker, 0216 Oslo, Norway

Dag Dvergsten (50), chairman (8,735,655 shares and 0 options)

Dvergsten holds a Master of Science in Business from the Norwegian School of Economics and Business Administration (NHH) in Bergen, Norway. Dvergsten is the president and sole owner of Dag Dvergsten AS. Dvergsten has through Dag Dvergsten AS initiated and developed several industrial projects within the areas of energy/resources, marine sectors and technology. Dvergsten has served, and he is currently serving on several corporate and civic organisation boards. Dvergsten is a Norwegian citizen and resides in Oslo, Norway.

Camilla Fiskevoll (39), deputy chairman (0 shares and 0 options)

Fiskevoll is a partner in the law firm Kluge Advokatfirma DA. She has studied law at the University of Oslo, Norway. She is a business lawyer and practises in particular within the areas of taxation, company law, mergers, acquisitions and restructuring. Fiskevoll is a Norwegian citizen and resides in Oslo, Norway.

Anne Dæhlie (49), board member (0 shares and 0 options)

Dæhlie holds a Master of Science in Chemical Engineering from the Norwegian University of Science and Technology in Trondheim, Norway. Dæhlie is Manager of the Department of Strategy in Statkraft AS, focusing on corporate strategy, business development and M&A activities. Prior to joining Statkraft AS, Dæhlie was employed by Saga Petroleum ASA for 16 years, having various key positions within field engineering, field development, project management and license administration. Dæhlie is a Norwegian citizen and resides in Bærum, Norway.

Egil Martin Ullebø (68), board member (0 shares and 0 options)

Egil M. Ullebø holds a Master of Science in Chemical Engineering from the Norwegian University of Science and Technology in Trondheim and a Bachelors degree in Business Administration from the Norwegian School of Economics and Business Administration (NHH) in Bergen and from Tempelton College in Oxford, UK. He has a long and diversified experience from several positions within process industries. Among these are several positions within mining, metallurgy, chemical industry and hydro electric power. Until retirement in 2005 he had served within Orkla Group for more than 36 years. He had several Board memberships in Orkla Group not only in the process industry but also in the Food and Brand sectors. Ullebø is Norwegian and resides in Sarpsborg, Norway.

Term of office

Chairman, Dag Dvergsten:

Member of the Board of Directors since 11 April 2007. Current term expires on 19 June 2010.

Deputy Chairman, Camilla Fiskvoll:

Member of the Board of Directors since 23 February 2006. Current term expires on 15 June 2011.

Anne Dæhlie:

Member of the Board of Directors since 23 February 2006. Current term expires on 19 June 2010.

Egil Martin Ullebø:

Member of the Board of Directors since 19 June 2008. Current term expires on 19 June 2010.

Independency

The board is independent of any sectional interests. The board satisfies the requirement of having two board members independent of shareholders owning more than 10 per cent of the Company's share capital and half of the members independent of the executive management of the Company and the Company's material business contacts. All board members, except Dag Dvergsten, are considered to be independent of the Company's major shareholders, executive management and material business contacts.

Consequently, the composition of the Board complies with the Norwegian Code of Practice for Corporate Governance.

13.2 MANAGEMENT

The table below sets forth the members of the Group management at the date of this Prospectus:

Name	Position	Business address
Ivar S. Fossum	CEO	Nordic Mining ASA, Munkedamsveien 45, 0250 Oslo, Norway
Lars K. Grøndahl	CFO	Nordic Mining ASA, Munkedamsveien 45, 0250 Oslo, Norway
Ottar Nakken	Vice President Commercial	Nordic Mining ASA, Munkedamsveien 45, 0250 Oslo, Norway
Paul I. Norkyn	Vice President Mining Operation	Nordic Mining ASA, Munkedamsveien 45, 0250 Oslo, Norway
Mona Schanche	Exploration manager	Nordic Mining ASA, Munkedamsveien 45, 0250 Oslo, Norway

Ivar S. Fossum (51), CEO (602,172 shares and 900,000 options)

Fossum holds a Master of Science in Mechanical Engineering from the University of Science and Technology in Trondheim, Norway (NTNU). He has previously held various managerial and commercial positions within the oil and gas industry and the fertilizer industry, among those positions as head of Natural Gas Transportation, License Administration, Hydro's department for exploration and production, director of raw material sourcing and trading in Hydro Agri International, general manager of Norsk Hydro East Africa Ltd. and chief executive officer of Loke AS. Fossum is a Norwegian citizen and resides in Asker, Norway.

Lars K. Grøndahl (54), CFO (2,149,851 shares and 550,000 options)

Grøndahl holds a Master of Science in Business from the Norwegian School of Economics and Business Administration (NHH) in Bergen, Norway. Grøndahl has more than 20 years of experience from industrial companies including e.g. controller of Aker Group, Oslo, CFO of Cementa AB, Stockholm, CFO of Scancem International ANS, Oslo, and Senior Vice President/Deputy COO of Scancem International/Heidelberg Cement Africa. Prior to his engagement in the industry, Grøndahl was Head of Department in the Norwegian Ministry of Industry. Grøndahl is a Norwegian citizen and resides in Oslo, Norway.

Ottar Nakken (56), Vice President Commercial (972,851 shares and 550,000 options)

Nakken holds a Master in International Economy and Science in Business from the Copenhagen Business School, Denmark. Nakken has been the Chief Operating Officer of Jebsen Management AS. He has 18 years experience from several management positions in Norsk Hydro ASA, among them as vice president for Hydro Agri North America and Hydro Agri International. Nakken has been member of the Board of Directors of Nordic Mining. Nakken is a Norwegian citizen and resides in Bærum, Norway.

Paul I. Norkyn (62), Vice President Mining Operation (142,851 shares and 275,000 options)

Norkyn holds a Master of Science in Minerals Processing from the Norwegian University of Science and Technology (NTNU) in Trondheim, Norway. Norkyn has broad experience from the mining industry, i.a. management positions in Titania A/S, Sydvaranger AS and A/S Bleikvassli Gruber as well as project- and process engineer at Grong Gruber A/S. Norkyn is a Norwegian citizen and resides in Oslo, Norway.

Mona Schanche (30), Exploration manager (32,851 shares and 150,000 options)

Schanche is a resource geologist from the Norwegian University of Science and Technology (NTNU) in Trondheim, Norway. Schanche has previously worked as Project Geologist in Titania AS. Schanche is a Norwegian citizen and resides in Oslo, Norway.

13.3 CONFLICTS OF INTERESTS ETC

The chairman of the Board, Dag Dvergsten may at times be in a position where there is a conflict of interest between his position as owner and director of Dag Dvergsten AS and the interests of Nordic Mining, see Section 16.2. Nordic Mining has taken reasonable steps to avoid potential conflicts of interests arising from Dag Dvergsten's private interests and other duties to the extent possible, and if such occurs, to mitigate any conflict of interest.

To the Company's knowledge there are currently no other potential conflicts of interests between any duties to the Company or its subsidiaries, of the Board or the senior management, and their private interests or other duties. There are no family relations between any of the Company's board members or management.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any member of the administrative, management, supervisory bodies or executive management has been selected as a member of the administrative, management or supervisory bodies or member of senior management.

Over the five years preceding the date of this Prospectus, the members of the board and senior management presently have, and have held, the following directorships (apart from the directorship in Nordic Mining) and or/partnerships:

Name	Current directorship/partnership	Directorships/partnerships previous 5 years
Board of Directors		
Dag Dvergsten	Dag Dvergsten AS, Chairman	Atlantic Oilfield Services Ltd.
	Cellcura AS	Gemwax AS, Chairman
	Fetch Marine AS, Chairman	Norsk Silent Gliss AS
	Sirnasense AS	Rocksource ASA, Chairman
	NAF AS	GeoContrast AS, Chairman
	Jamax AS	Verigo Norge AS, Chairman
	Hasselhaugen AS	Bio Medisinsk Innovasjon AS
	Dag Dvergsten Inc., Chairman	Arealkapital AS, Chairman
	Rocky Point International LLC, Chairman	Leonardo Kommunikasjon AS
	TechnoImaging LLC, Chairman	
	EMD Scan International LLC, Chairman	
	Fetch International AS, Chairman	
Camilla Fiskevoll		Law committee of Norwegian Athletics Association
		Sportsklubben Vidar
Egil Martin Ullebø	LKAB	Hustadmarmor AS
	Østfold Energi AS, Chairman	Innovasjon Norge Østfold, Akershus og Oslo
	Borg Havn IKS	Orkla Foods AS
	Borregaard Skoger AS	Peter Møller AS
	Deltagruppen AS, Chairman	Borregaard Industries Limited
	Store Norske Spitsbergen Kulkompani AS	Rygge Sivile Lufthavn AS
	Store Norske Spitsbergen Grubekompani AS	Norconsult AS
Anne Dæhlie	Rocksource ASA	
	Statkraft Agder Energi Vind AS (deputy)	
Executive Management		
Ivar S. Fossum	Fetch Marine AS	Henriettes AS
	Keliber Oy	Teknovest AS

	Nordic Rutile AS, Chairman	Fossum Consulting
	Nordic Mining America, Inc., Chairman	
	Gudvangen Stein AS	
Lars K. Grøndahl	Grøndahl Management Consulting	Raffia Holdings Ltd.
	Nordic Rutile AS	
	Keliber Oy, Chairman	
Ottar Nakken	Gudvangen Stein AS, Chairman	Nordic Mining ASA
		Østerdalsrøye AS, Chairman
		GeoContrast AS
Paul I. Norkyn	N.A.	N.A.
Mona Schanche	N.A.	N.A.

13.4 FRAUDLENT OFFENCE, BANKRUPTCY, INCRIMINATION AND DISQUALIFICATION

None of the members of the administrative, management or supervisory bodies have within the last five years preceding the date of this Prospectus been;

- Convicted in relation to a fraudulent offence;
- Except for Dag Dvergsten, involved in any bankruptcies, receiverships or liquidations as member of the board, management, supervisory body, as partner with unlimited liability, founder or as senior manager; and
- Subject to any official public incrimination and/or sanctions as such person by statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a issuer or from acting in the management or conduct of the affairs of any issuer

Dag Dvergsten was board member in Leonardo Kommunikasjon AS when Leonardo Kommunikasjon AS filed for bankruptcy in 2009. Dag Dvergsten AS owned 14.4 per cent of the shares in Leonardo Kommunikasjon AS. Leonardo Kommunikasjon AS filed for bankruptcy mainly due to challenging market conditions.

14. REMUNERATION AND BENEFITS

14.1 BOARD OF DIRECTORS

The members of the Board received remuneration for 2008 as set out in the table below:

Board member	Remuneration (NOK)
Dag Dvergsten	187,500
Bernhard Mellbye (replaced by Dag Dvergsten in 2008)	112,500
Camilla Fiskevoll	150,000
Anne Dæhlie	150,000
Per Havdal*	150,000
Egil Martin Ullebø	75,000
Total	825,000

*Per Havdal passed away in December 2008.

Remuneration for 2009 will be decided in the Company's ordinary general meeting scheduled in May 2010.

14.2 EXECUTIVE MANAGEMENT

Remuneration to the Company's executive management, as described in Section 13.2 is described below.

Total remuneration including salary, social cost, pension cost and additional benefits in 2009 for the management team is set out in the table below:

(Amounts in NOK thousands)	Ivar S. Fossum	Lars K. Grøndahl	Ottar Nakken	Paul I. Norkyn	Mona Schanche
Salary	1,495	1,242	1,191	1,113	574
Social Cost	260	224	214	194	88
Pension Cost	183	192	199	146	43
Additional Benefits	165	151	130	116	10
Total	2,102	1,809	1,734	1,569	714

There are no agreements with any member of management which provide for compensation payable upon termination of the employment.

14.3 SHAREHOLDINGS AND OPTIONS OF MANAGEMENT AND BOARD OF DIRECTORS

The following table sets forth the number of options and Shares held by Board members of the Company as at the date of this Prospectus:

Board of Directors	Shares	Options
Dag Dvergsten	8,735,655	N.A.
Camilla Fiskevoll	0	N.A.
Egil Martin Ullebø	0	N.A.
Anne Dæhlie	0	N.A.

The following table sets forth the number of options and Shares held by the Company's executive management as at the date of this Prospectus.

Executive management	Shares	Options
Ivar S. Fossum	602,172	900,000
Lars K. Grøndahl	2,149,851	550,000
Ottar Nakken	972,851	550,000
Paul I. Norkyn	142,851	275,000
Mona Schanche	32,851	150,000

14.4 OPTIONS AND INCENTIVE SCHEMES

14.4.1 Outstanding options

The following members of the executive management in Nordic Mining have been awarded options:

Ivar S. Fossum has an option to buy in total 900 000 shares in Nordic Mining; 450 000 shares at a price of NOK 2.625 per share, and 450 000 shares at a price of NOK 1.60 per share. The options were not paid for at the time of the granting of the options. The options must be exercised at the latest by 19 June 2010, following which date they will expire. Fossum owns 502 172 shares in Nordic Mining in addition to the aforesaid options.

Lars K. Grøndahl has an option to buy in total 550 000 shares in Nordic Mining; 275 000 shares at a price of NOK 2.625 per share, and 275 000 shares at a price of NOK 1.60 per share. The options were not paid for at the time of the granting of the options. The options must be exercised at the latest by 19 June 2010, following which date they will expire. Grøndahl owns 1 867 000 shares in Nordic Mining in addition to the aforesaid options.

Ottar Nakken has an option to buy in total 550 000 shares in Nordic Mining; 60 000 shares at a price of NOK 2.625 per share, 215 000 shares at a price of NOK 3.15 per share, and 275 000 shares at a price of NOK 1.60 per share. The options were not paid for at the time of the granting of the options. The options must be exercised at the latest by 19 June 2010, following which date they will expire. Nakken owns 765 000 shares in Nordic Mining in addition to the aforesaid options.

Paul I. Norkyn has option to buy 275 000 shares in Nordic Mining at a price of NOK 1.60 per share. The options were not paid for at the time of the granting of the options. The options must be exercised at the latest by 19 June 2010, following which date they will expire. Norkyn does not own shares in Nordic Mining.

Mona Schanche has option to buy 150 000 shares in Nordic Mining at a price of NOK 1.60 per share. The options were not paid for at the time of the granting of the options. The options must be exercised at the latest by 19 June 2010, following which date they will expire. Schanche does not own shares in Nordic Mining.

One option can be converted into one share in Nordic Mining ASA. All options mentied above were fully vested on award and expire on 19 June 2010.

14.4.2 Board authorization to implement employee share purchase scheme

The general meeting of the Company on 19 June 2008 passed the following resolution:

“The Board of Directors of Nordic Mining ASA (“The Company”) is authorised to resolve one or several share capital increases by issuing up to 4.5 million shares, equal to approximately 5.2 per cent of the Company’s registered share capital at the date of this power of attorney. Consequently, the share capital may pursuant to this authorisation be increased by up to NOK 450,000.

This authorisation may be used in connection with the issue of shares to employees in the Company and/or employees in subsidiaries of the Company and to specially qualified resource persons. The shares may be issued directly to a person or to a company the person owns.

The lowest subscription price is NOK 1.60 per share.

Pursuant to this authorisation, the Board of Directors shall also have the opportunity to offer shares to persons or companies that do not hold shares in the Company.

The existing shareholders’ preference right to subscribe for shares is waived.

The Board of Directors is granted the authority to amend § 4 of the Articles of Association with regard to the size of the share capital in compliance with any capital increases determined by the Board of Directors.

The authorisation to the Board of Directors under this section 9 shall be valid for two years from the date of the resolution of the general meeting.

This authorisation replaces former authorisation given in the ordinary general meeting held on 31 May 2007.”

14.5 PENSION OBLIGATIONS

Nordic Mining has arranged pension schemes for its employees. The pension schemes meet the requirements of the Norwegian law on required occupational pension ("Lov om Obligatorisk Tjenestepensjon") and description in relevant detail is given in the annual report for 2008.

Nordic Mining had pension related expenses of TNOK 1,157 in 2009 and fulfils the requirements of the Norwegian law on required occupational pension. Pension related expenses in 2008 and 2007 were TNOK 806 and TNOK 220, respectively.

15. BOARD PRACTICES

15.1 COMPENSATION FOR TERMINATION

There are no agreements with any member of management which provide for compensation payable upon termination of the employment.

The Company has not granted any loans, guarantees or other commitments to any member of the Board and there are no unusual agreements regarding extraordinary bonuses to any member of the Board.

15.2 COMMITTEES

The Company has not established an audit committee or a separate remuneration committee. The nomination committee is responsible for proposing to the general meeting the remuneration of the Board.

Nominating committee

The general meeting of the Company on 31 May 2007 resolved to establish a nominating committee. The resolution was incorporated in the Articles of Association through a new article 6. The nominating committee's main task is to propose members to the Board in Nordic Mining.

The following persons were elected to the nominating committee on the general meeting of the Company on 15 April 2008, and as regards Bent Nordbø, by the general meeting of the Company on 15 June 2009:

Nikolai Norman - Chairman

Nikolai Norman is a lawyer in the lawfirm Norman & Co ANS. Norman is not a shareholder in Nordic Mining nor has he any relations to the Board or management of the Company.

Hans Olav Kvalvaag

Hans Olav Kvalvaag is an employee in Hydro ASA where he is responsible for M&A (mergers & acquisitions). Kvalvaag is a legal professional and has experience from the consultancy firm McKinsey and the law firm Selmer. Kvalvaag is not a shareholder in Nordic Mining nor has he any relations to the Board or management of the Company.

Bent Nordbø

Bent Nordbø has a Master of Science in Business from the Norwegian School of Economics and Business Administration (NHH) in addition to technical background. Bent Nordbø has experience from leading positions in the Schibsted group, and has since 2005 worked in Dag Dvergsten AS.

15.3 CORPORATE GOVERNANCE

15.3.1 Corporate governance principles

The corporate governance principles of Nordic Mining comprise the framework of guidelines and management principles regulating the division of roles between the owners, Board and executive management of the Company.

Nordic Mining is of the opinion that sound corporate governance contributes to increased shareholder value through improved growth and higher profits, as well as lower capital expenditures. Corporate governance in Nordic Mining is based on openness and equal treatment. Investor confidence is maintained and developed through open and accountable investor information. The Board and the management are committed to ensuring transparency within the business, fair treatment of all shareholders and accountability in all forms of communication.

The Company's corporate governance principles are based on and, with the exceptions set out below, comply with the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board on 21 October 2009 ("the Code of Practice"). The Code of Practice is a "comply or explain" guideline and the Board will state and explain any deviation by the Company from the recommended guidelines in its annual reports. The Company will post its corporate governance principles on its website.

15.3.2 Code of practice

The Company follows the Code of Practice, maintains high standards of corporate governance and is committed to ensure that all shareholders of the Company are treated equally.

As per the date of this Prospectus, the Company complies with the Code of Practice except in relation to the following;

- Dag Dvergsten AS, a company fully owned by Dag Dvergsten, performs certain services to Nordic Mining as further described in 17.2.
- The Board on 1 March 2010 was authorized by the general meeting to issue new shares in Nordic Mining for the purpose of attracting additional capital to the Company and/or in relation to investments in other businesses. It was voted jointly for both alternatives for use of the authorization as they both are motivated of giving flexibility to the Company and have common conditions.

16. EMPLOYEES

16.1 EMPLOYEES AND SERVICE PROVIDERS

Today the Nordic Mining Group has 13 employees, of which 7 are employed in Gudvangen Stein and 1 in Keliber.

The executive management of Nordic Mining were directly employed by the Company from 1 July 2007. Accepta AS is bookkeeper for the Company and provides assistance with, inter alia, consolidation, tax and IFRS-matters.

In addition, Nordic Mining has access to various services through a business services agreement with Dag Dvergsten AS and consultancy agreements with, inter alia, various research institutions and consultancy firms as in force from time to time.

Nordic Mining is evaluating to strengthen the technical part of the management team and the project management for its main projects.

16.2 BUSINESS SERVICES AGREEMENT WITH DAG DVERGSTEN AS

Nordic Mining was until June 2007 managed according to a management agreement with Dag Dvergsten AS. Dag Dvergsten AS is fully owned by Dag Dvergsten who is also a member of the Board. Dag Dvergsten AS provided Nordic Mining with general management services, conducted running administrative work, handled the contracts of the Company, assisted in obtaining financing and handled investor relations. The management team of Nordic Mining was employed by Dag Dvergsten AS and worked for Nordic Mining according to the management agreement.

The consideration for the management services was based on a cost plus principle. For 2007, the management fee amounted to NOK 10.7 million. The management agreement was terminated with effect from 1 July 2007 and Nordic Mining has settled all outstanding obligations with Dag Dvergsten AS incurred in connection with the termination by way of payment of NOK 2.5 million (incl. VAT).

From July 2007 Nordic Mining employs and remunerates its management directly. Nordic Mining has entered into a business services agreement with Dag Dvergsten AS for rent of offices, administrative services and certain strategic advising.

Total costs in relation to the business services agreement in 2009 amounted to NOK 2.9 million (ex VAT). The agreement covers inter alia rent of offices and various administrative services.

16.3 HIRED CONSULTANTS

Nordic Mining is on a continuous basis hiring external consultants with expertise within business segments which the Company operates. For a further description of the most important consultancy agreements of Nordic Mining, please refer to Section 6.6.

17. MAJOR SHAREHOLDERS

17.1 SHAREHOLDER STRUCTURE

As of 2 March 2010, the Company has 2620 shareholders. 108 shareholders, owning a total of 19.2 per cent of the Shares outstanding, are registered in VPS with address outside Norway. A summary of the Company's 20 largest shareholders as of 2 March 2010 is set out below.

Name of Shareholder	Country	Number of Shares	Percentage (%)
1 DAG DVERGSTEN AS	NOR	8,469,145	8.06
2 SKAGEN VEKST	NOR	7,469,600	7.11
3 JPMORGAN CHASE BANK	GBR	5,011,946	4.77
4 HOLBERG NORGE	NOR	3,600,000	3.43
5 DYBVAD CONSULTING AS	NOR	2,880,788	2.74
6 MP PENSJON	NOR	2,869,600	2.73
7 FINNISH INDUSTRY INVESTMENT LTD	FIN	2,827,009	2.69
8 SOLON AS	NOR	2,242,333	2.14
9 GRINDAHL	NOR	2,149,851	2.05
10 SNATI AS	NOR	1,894,874	1.80
11 DNO INVEST AS	NOR	1,806,442	1.72
12 DYBVAD AUDSTEIN	NOR	1,566,984	1.49
13 HANSEN REIDAR JARL	NOR	1,126,237	1.07
14 REMØE SVEND OTTO	NOR	1,040,000	0.99
15 JULIMAR AS	SWE	1,020,000	0.97
16 NAKKEN OTTAR	NOR	972,851	0.93
17 NORDNET BANK AB	SWE	866,229	0.82
18 OVE KLUNGLAND HOLDING AS	NOR	804,021	0.77
19 PROLOG AS	NOR	797,626	0.76
20 JONNY HESTHAMMER AS	NOR	764,508	0.73
Total 20 largest shareholders		50,180,044	47.78%
Others		54,837,056	52.22%
Total number of shares		105,017,100	100%

The following shareholders owned more than 5 per cent of the issued share capital in the Company on 2 March 2010: Dag Dvergsten AS (8,469,145 Shares, 8.06 per cent of the share capital) and Skagen Vekst (7,469,600 Shares, 7.11 per cent of the share capital).

As far as the Company is aware of, there is no other natural or legal person other than the above mentioned, which directly or indirectly has a shareholding in the Company above 5 per cent which is noticeable under Norwegian Law.

All Shares and shareholders have equal rights, including voting rights. To the knowledge of the Board, there are no arrangements which may at a subsequent date result in a change of control of the Company.

18. RELATED PARTY TRANSACTIONS

During the period covered by the historical financial information included in this Prospectus, Nordic Mining has entered into the following related party transactions:

2009 and up to the date of this Prospectus

The Company's business services agreement with Dag Dvergsten AS has been continued into 2010 and the agreement is in place as per the date of this Prospectus.

The Company had a business service agreement with Dag Dvergsten AS for i.a. office rental and administrative support functions in 2009, as further described in Section 16.2. Nordic Mining purchased services according to the business service agreement for NOK 2.9 million from Dag Dvergsten AS in the period 1 January to 31 December 2009.

2008

In 2008, the Company recorded expenses of NOK 4.0 million for administrative and office services according to the agreement with Dag Dvergsten AS. The Company also had a consulting agreement with Board member at that time, Per Havdal. The agreement had a limited scope (a maximum fee of NOK 140,000 and one year duration). Consultancy fee for services executed in 2007 was paid and reported as salary in 2008.

2007

The management agreement with Dag Dvergsten AS from 2006 was terminated on 1 July 2007, and the Company paid a termination fee of NOK 2.5 million, including VAT. In 2007, the Company recorded a management fee expense of NOK 10.7 million. Additionally, the income statement included a charge of NOK 1.5 million related to a modification of options granted at that time to Dag Dvergsten AS. The management agreement included all management functions and daily administrative functions of Nordic Mining ASA until 30 June 2007. For the second half of 2007, the agreement with Dag Dvergsten AS only covered certain administrative functions and office services.

In 2007, the Company had a consulting agreement with Board member at that time Per Havdal. The agreement had a limited scope (a maximum fee of NOK 140,000 and one year duration).

2006

The Company entered into a management agreement with Dag Dvergsten AS, a major shareholder of the Company. The CEO, CFO and Executive Vice-President were in-sourced through this agreement. Total costs related to the agreement in 2006 were NOK 5.2 million. Dag Dvergsten AS provided strategic and financial assistance to the Company, directly and through its business network. The management fee covered general management and business development, day-to-day administration as well as coordination of financing and investor relations and office costs. Total costs including salary, social cost, pension cost and additional benefits in the period for CEO and CFO were NOK 1.3 million (recognised for 6 months period) and NOK 1.6 million (recognised for 9 months period), respectively.

During 2006, the Company also entered into consulting agreements with the board members at that time Per Havdal and Ottar Nakken, and Strategy House AS, a limited company controlled by Bernhard Mellbye, the former Chairman of the Board. The Company recognised an expense of NOK 1 million related to these consulting agreements during 2006.

The above mentioned transactions are/were based on the principle of "arms length" pricing.

19. FINANCIAL INFORMATION CONCERNING NORDIC MINING'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES

The Company reports are available at the Company's website, www.nordicmining.com, and at www.newsweb.no under the ticker NOM.

19.1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU. The IFRS principles have been applied consistently for 2009, 2008, 2007 and 2006. The annual reports for 2008, 2007 and 2006 have been audited by Ernst & Young AS, Nordic Mining's statutory auditor; see Section 4.2.10 for more information. In the auditor's report for 2007 there was a matter of emphasis regarding the need for further capital injection in order to continue the Company's current activities. Nordic Mining had equity issues in 2008 which covered the Company's financing requirements and consequently the auditor issued a clean audit report for 2008. Ernst & Young AS does not vouch for forward looking statements made in this Prospectus.

Please see the following link to the Company's significant accounting policies:

<http://www.nordicmining.com/getfile.php/Filer/Investors/Financial%20Reports/Reports%202008/annual%20report%202008.pdf>

19.2 HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following tables present consolidated financial information for Nordic Mining for the years ended 31 December 2009, 2008, 2007 and 2006, and the three months period ended 31 December 2009 and 2008. There is no complete annual report for Nordic Mining available prior to the 2007 report due to the registration of Nordic Mining at 8 May 2006.

Please see the following links to the Company's historical financial accounts for 2008, 2007 and 2006:

<http://www.nordicmining.com/getfile.php/Filer/Investors/Financial%20Reports/Reports%202008/annual%20report%202008.pdf>

<http://www.nordicmining.com/getfile.php/Filer/Investors/Financial%20Reports/Reports%202007/Annualreport2007.pdf>

<http://www.nordicmining.com/getfile.php/Filer/Investors/Financial%20Reports/Reports%202006/annualreport2006.pdf>

Please see the following links to the Company's financial information for the twelve months ended 31 December 2009:

http://www.nordicmining.com/getfile.php/Filer/Investors/Financial%20Reports/Reports%202009/LKG_100223_Q4%20report_final.pdf

Please see the following links to the Auditor's report for 2008, 2007 and 2006:

<http://www.nordicmining.com/getfile.php/Filer/Investors/Financial%20Reports/Reports%202008/annual%20report%202008.pdf>

<http://www.nordicmining.com/getfile.php/Filer/Investors/Financial%20Reports/Reports%202007/Annualreport2007.pdf>

<http://www.nordicmining.com/getfile.php/Filer/Investors/Financial%20Reports/Reports%202006/annualreport2006.pdf>

19.2.1 Consolidated income statement

The table below summarises the condensed consolidated income statements for Nordic Mining for the years ended 31 December 2009, 2008, 2007 and 2006, and the three months period ended 31 December 2009 and 2008.

Consolidated income statement						
	2009	2008	2009	2008	2007	2006
<i>(Amounts in NOK thousands)</i>	01.10-31.12	01.10-31.12	01.01-31.12	01.01-31.12	01.01-31.12	08.05-31.12
	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited
Sales	5,277	5,744	20,269	17,794	12,105	-
Other income	100	80	35	220	466	7,500
Cost of sales	(1,788)	19	(6,412)	(1,401)	(3,477)	-
Payroll and related costs	(2,702)	(4,132)	(12,738)	(11,804)	(5,375)	-
Office costs and business service fee	(670)	(1,997)	(2,896)	(4,010)	(10,715)	(5,166)
Share-based payment	-	-	-	(1,273)	(2,956)	(844)
DD&A	(783)	(894)	(2,899)	(4,025)	(2,588)	-
Impairment assets	(2,100)	(7,000)	(2,100)	(13,300)	-	-
Other operating expenses	(4,603)	(9,686)	(20,668)	(24,113)	(17,745)	(7,386)
Operating profit/(loss)	(7,269)	(17,866)	(27,409)	(41,912)	(30,285)	(5,896)
Financial income	(200)	2,269	2,183	3,758	1,448	225
Financial costs	(584)	(1,635)	(2,898)	(3,990)	(2,449)	(149)
Profit/(loss) before tax	(8,053)	(17,232)	(28,124)	(42,143)	(38,556)	(5,820)
Income Tax	1,066	(678)	1,066	(678)	5,074	-
Net profit/(loss)	(6,987)	(17,910)	(27,058)	(42,821)	(33,482)	(5,820)
Profit/(loss) attributable to						
Equity holders of parent	(6,921)	(17,766)	(26,645)	(42,570)	(33,482)	(5,820)
Minority interest	(67)	(144)	(414)	(251)	-	-
Earnings per share attributable to ordinary shareholders						
<i>(Amounts in NOK)</i>						
Basic and diluted earnings per share	(0.07)	(0.19)	(0.28)	(0.55)	(0.75)	(0.37)

Source: Q4 2009 presentation and Annual Reports 2008, 2007 and 2006

19.2.2 Consolidated balance sheet

Set out below are the consolidated balance sheets for Nordic Mining for the periods ending 31 December 2009, 2008, 2007 and 2006.

CONSOLIDATED BALANCE SHEET

<i>(Amounts in NOK thousands)</i>	2009 31 December Unaudited	2008 31 December Audited	2007 31 December Audited	2006 31 December Audited
ASSETS				
Non-current assets				
Goodwill	7,727	9,729	-	-
Licences	3,596	3,196	3,196	-
Minerals, property, plant and equipment	69,277	85,129	47,622	-
Shares	85	85	85	-
Total non-current assets	80,685	98,139	50,903	-
Current Assets				
Inventory	1,945	2,495	1,291	-
Trade and other receivables	6,710	5,150	4,877	2,280
Cash and cash equivalents	7,782	39,772	23,692	101,499
Total current assets	16,437	47,417	29,860	103,779
Total assets	97,122	145,556	80,762	103,779
SHAREHOLDERS' EQUITY & LIABILITIES				
Shareholders' equity				
Share capital	9,547	9,547	5,348	2,872
Share premium	129,484	129,484	75,881	21,251
Other paid-in capital	5,304	5,304	4,031	844
Retained losses	(108,517)	(81,872)	(39,302)	(5,820)
Translation adjustment	910	5,101	-	-
Equity attributable to ordinary shareholders	36,728	67,564	45,958	19,147
Non-controlling interest	8,792	10,897	-	-
Total equity	45,520	78,461	45,958	19,147
Non-current liabilities				
Interestbearing loan	8,364	8,417	4,865	-
Deferred tax	9,998	12,995	-	-
Lease obligations	9,933	10,459	9,759	-
Other liabilities	7,878	15,752	7,432	-
Total non-current liabilities	36,173	47,623	22,056	-
Current liabilities				
Current portion of long-term debt	2,420	2,761	3,726	-
Trade Payables	6,014	3,450	3,025	3,148
Other current liabilities	6,995	13,261	5,997	81,484
Total current liabilities	15,429	19,472	12,748	84,632
Total liabilities	51,602	67,095	34,804	84,632
Total shareholders' equity and liabilities	97,122	145,556	80,762	103,779

Source: Q4 2009 presentation and Annual Reports 2008, 2007 and 2006

19.2.3 Reconciliation of equity

The table below shows the unaudited reconciliation of equity as of 31 December 2009 and the audited reconciliation as of 31 December 2008 and 2007 and 2006.

<i>(Amounts in NOK thousands)</i>	Share capital	Share premium	Other-paid-in capital	Translation adjustment	Retained earnings	Total	Minority interest	Total equity
Equity 08.05.06	1,436	8,564	-	-	-	10,000	-	10,000
Share based compensation			844			844		844
Share issuance	1,436	12,687			(5,820)	14,123		14,123
Profit/ (loss) for the period					(5,820)	(5,820)		(5,820)
Equity 31.12.06	2,872	21,251	844	-	(5,820)	19,147	-	19,147
Share based compensation			2,957			2,957		2,957
Option issued in business combination			230			230		230
Share issuance	2,476	54,630			(33,482)	57,106		57,106
Profit/ (loss) for the period					(33,482)	(33,482)		(33,482)
Equity 31.12.07	5,348	75,881	4,031	-	(39,302)	45,958	-	45,958
Share issue	3,689	51,640	-	-	-	55,329	-	55,329
Transaction costs	-	(5,336)	-	-	-	(5,336)	-	(5,336)
Shares issued in business combination	510	7,299	-	-	-	7,809	-	7,809
Share based payment	-	-	1,273	-	-	1,273	-	1,273
Minority interest from business combination	-	-	-	-	-	-	9,114	9,114
Total comprehensive income for the period	-	-	-	5,101	(42,570)	(37,469)	1,783	(35,686)
Equity 31.12.08	9,547	129,484	5,304	5,101	(81,872)	67,564	10,897	78,461
Total comprehensive income for the period	-	-	-	(4,191)	(26,645)	(30,836)	(2,105)	(32,941)
Equity at 31.12.09	9,547	129,484	5,304	910	(108,517)	36,728	8,792	45,520

Source: Q4 2009 presentation and Annual Reports 2008, 2007 and 2006

19.2.4 Consolidated cash flow statement

The following table shows Nordic Mining's consolidated cash flow statements for the period ended 31 December 2009, 2008, 2007 and 2006.

Consolidated cash flow statement

<i>(Amounts in NOK thousands)</i>	2009 01.01-31.12 Unaudited	2008 01.01-31.12 Audited	2007 01.01-31.12 Audited	2006 08.05-31.12 Audited
Net cash used in operating activities	(24,049)	(21,243)	(24,181)	(2,898)
Purchases of property, plant & equipment	(520)	(794)	(1,210)	-
Purchases of intangible assets	(400)	-	(3,196)	-
Transfer from/(to) restricted cash	-	-	2,541	(10,000)
Business acquisition	-	(8,627)	(15,411)	-
Net cash used in investing activities	(920)	(9,421)	(17,276)	(10,000)
Cash contributed at demerger				10,000
Share issuance	-	49,993	57,106	14,123
Payments of loans	(6,831)	(6,923)	(920)	-
Payment of overdraft facility	-	(2,995)	201	-
Proceeds from new loans	-	10,000	-	-
Payment of contingent liability	(350)	-	-	-
Transaction costs on bond loan	-	-	-	(950)
Principal payments on finance leases	(120)	(2,085)	(1,514)	-
Net cash from financing activities	(7,301)	47,990	54,873	23,173
Net change in cash and cash equivalents	(32,270)	17,326	13,417	10,275
Effect of changes in foreign exchange rates	280	(1,245)	-	-
Cash and cash equivalents at beginning of period	39,772	23,692	10,275	-
Cash and cash equivalents at end of period	7,782	39,772	23,692	10,275
Non-cash transaction:				
Change in lease obligation	716	(2,294)	-	-

Source: Q4 2009 presentation and Annual Reports 2008, 2007 and 2006

19.3 INFORMATION ON FINANCIAL CONDITION AND OPERATING RESULTS

19.3.1 Fourth quarter 2009 and preliminary financial year 2009

The discussion in the following is based on Nordic Mining's preliminary and unaudited financial statements for the fourth quarter 2009 and the financial year 2009. Unless specifically noted, all figures below relate to the consolidated accounts. For comparison, numbers in brackets relate to the same period 2008.

Fourth quarter 2009

Sales revenue in the fourth quarter was NOK 5.3 million (NOK 5.7 million), where the sales volume of anorthosite products from Gudvangen Stein in the fourth quarter equalled 45,000 tons (62,000 tons). The volume decrease from fourth quarter 2008 is explained by reduced construction activity in Europe.

Operating loss was NOK -7.3 million (NOK -17.9 million). The operating loss for the period is to a large extent related to costs in connection with development of the rutile project at Engebøfjellet. An impairment charge of NOK 2.1 million (NOK 7.0 million) related to the mining operation in Gudvangen Stein is included in the operating loss. Net loss was NOK -7.0 million (NOK -17.9 million). As a consequence of reduced deferred tax liabilities originated from previous acquisition, a tax income of NOK 1.1 million (NOK -0.7 million) has been recognised in the period.

Financial year 2009

In 2009, Nordic Mining generated total sales income of NOK 20.3 million (NOK 17.8 million). The sales income is related to the mining operation in Gudvangen Stein. A significant part of the sales from Gudvangen Stein is to the stone wool insulation industry, and Gudvangen Stein has in 2009 experienced a reduced demand for its anorthosite products due to continued general reduction in European construction activity.

Consolidated operating loss for 2009 was NOK 27.4 million (NOK 41.9 million). The main activity in the period was the development of the Company's rutile project at Engebøfjellet with focus on finalising environmental impact assessment and filing of application for industrial area permit. The operating loss in 2009 includes an impairment charge of NOK 2.1 million (NOK 13.3 million) related to the mining operation in Gudvangen Stein.

Net loss in 2009 was NOK 27.1 million (NOK -42.8 million). Net financial cost of NOK 0.7 million (NOK 0.2 million) is included in the result. Further, and as a consequence of reduced deferred tax liabilities originated from previous acquisition, a tax income of NOK 1.1 million (NOK -0.7 million) has been recognised in 2009.

Nordic Mining's balance sheet as of 31 December 2009 was NOK 97.1 million (NOK 145.6 million). Nordic Mining's equity per 31 December 2009 was NOK 45.5 million (NOK 78.5 million). The reduced equity is mainly due to a loss in the period. The equity ratio per 31 December 2009 was 47 per cent (54 per cent), and the Company's cash and cash equivalents amounted to NOK 7.8 million (NOK 39.8 million). In February 2010, Nordic Mining completed the Private Placement with gross proceeds of NOK 20.0 million. As a consequence, the Company's financial capabilities have been strengthened.

Cash flow from operating activities in 2009 was negative with NOK 24.0 million (NOK -21.2 million). Net cash flow from investments was negative with NOK 1 million (NOK - 9.4 million). The investment level was significant lower in 2009 compared to the historical numbers. Net cash flow from financing was negative with NOK 7.3 million (NOK 48.0 million). 2009 is the only year the Company has not completed any share issues which mainly explains the reduced cash flow from financing activities.

19.3.2 Financial year 2008

In 2008, Nordic Mining generated total sales income of NOK 17.8 million, resulting from operations in Gudvangen Stein. Gudvangen Stein experienced a reduced demand for its anorthosite products in 2008 due to the general reduction in European construction activity.

Consolidated operating loss for 2008 was NOK 41.9 million compared to a loss of NOK -30.3 million in 2007. The main activity in the period was the development of the Company's rutile project at Engebøfjellet with focus on finalising environmental impact assessment and filing of application for industrial area permit. The loss in 2008 includes total impairment charges of NOK 13.3 million related to the operation in Gudvangen Stein.

Net loss in 2008 was NOK 42.8 million (2007: NOK -33.5 million). Net financial cost of NOK 0.2 million is included in the result.

Nordic Mining's balance sheet as of 31 December 2008 was NOK 145.6 million (NOK 80.8 million per 31 December 2007). In 2008, the Company completed a directed share issue towards selected domestic and Nordic investors as well as a rights issue with preference for the Company's shareholders. Total gross proceeds from the issues were approximately NOK 55 million. In June 2008, the Company acquired a majority shareholding (68%) in the Finnish company Keliber Oy. As per 31 December 2008, the Company's cash and cash equivalents amounted to NOK 39.8 million (2007: NOK 23.7 million), securing financial flexibility.

Cash flow from operating activities in 2008 was negative with NOK 21.2 million (2007: NOK -24.2 million).

19.3.3 Financial year 2007

The Company's business has mainly been in Norway, and historical revenues are from the operations in Gudvangen Stein. Gudvangen Stein was consolidated as per 1 June 2007, thus, the sales income in 2007 of NOK 12.1 million (2006: 0) relates to the period June – December 2007.

The consolidated operating loss in 2007 was NOK 30.3 million (2006: - NOK 5.9 million). In addition to the operation in Gudvangen, the main activities were project development of the Company's rutile project at Engebøfjellet (TiO₂), exploration for i.a. tungsten, gold and thorium, project assessment and business development including preparations for the Keliber agreement, and the process for listing of the Company's shares on Oslo Axess. Nordic Mining's management agreement with Dag Dvergsten AS was terminated with effect from 1 July 2007. From the same date the management team in Nordic Mining was employed directly with the Company. Effective 1 July 2007, Nordic Mining entered into a business services agreement with Dag Dvergsten AS. The agreement comprised office rental, administrative services and certain strategic advisory service.

Consolidated net loss for 2007 was NOK 33.5 million (2006: - NOK 5.8 million) including ordinary financial expenses and loss of NOK 7.3 million related to termination of a bond loan which was established in 2006 in connection with a contemplated acquisition. An income tax benefit of NOK 5.1 million was recognized as a result of the business combination related to the acquisition of Gudvangen Stein.

Nordic Mining's consolidated balance sheet as of 31 December 2007 was NOK 80.8 million (2006: NOK 103.8 million). In 2007, Nordic Mining had share issues with total net proceeds for the Company of NOK 57 million. Total investments amounted to NOK 25.9 million (2006: 0). This included the acquisition of Gudvangen Stein and the mineral rights at Engebøfjellet, as well as operational investments. Nordic Mining's equity per 31 December 2007 was NOK 46.0 million (2006: NOK 19.1 million). The increased equity was mainly due to share issues in 2007 with total net proceeds for the Company of NOK 57 million. The equity ratio per 31 December 2007 was 57 per cent (2006: 18 per cent). Cash in bank as per 31 December 2007 was NOK 23.7 million (2006: NOK 10.3 million).

Net cash flow from operating activities was negative in 2007 with NOK 24.2 million (2006: - NOK 2.9 million). This is explained mainly from the fact that the Group's main activities, except for the operations in Gudvangen Stein, are related to early phase project and business development. Net cashflow from investments was negative in 2007 with NOK 17.3 million (2006: - NOK 10.1 million). The investments include acquisition of 85 per cent of the share capital in Gudvangen Stein and the concessions for the Engebøfjellet rutile deposit. Net cash flow from financing was positive in 2007 with NOK 54.9 million (2006: NOK 23.2 million). The positive cash flow from financing is mainly explained by share issues. As per 31 December, cash and cash equivalents amounted to NOK 23.7 million (2006: NOK 10.3 million).

19.3.4 Financial year 2006

Nordic Mining had no sales income in the period 8 May to 31 December 2006 which was the first financial period for the Company. The Company had other income of NOK 7.5 million related to compensation for terminated agreement with the main shareholders of Gexco AB.

Consolidated operating loss was NOK 5.9 million. The Company had a management agreement with Dag Dvergsten AS which incurred a management fee of NOK 5.2 million. Other operating expenses were NOK 8.2 million, of which non-recurring expenses related to the Gexco/listing processes and the planned acquisition of

Rana Gruber amounted to approximately NOK 3 million. The result in 2006 reflects Nordic Mining as an early stage mining company focusing on business development. Its main activity during the year was assessment of business opportunities with a long term perspective.

Consolidated net loss was NOK 5.8 million.

Nordic Mining's balance sheet as of 31 December 2006 was NOK 103.8 million which was approximately ten times higher than the opening balance in May 2006. The increase was explained by arrangement of bond loan for planned acquisition of Rana Gruber (NOK 85 million) and equity issue with net proceeds of NOK 14.1 million.

Cash flow from operating activities was negative with NOK 2.9 million. As per 31 December 2006, cash and cash equivalents amounted to NOK 10.3 million.

19.4 INTERIM FINANCIAL INFORMATION

The quarterly financial report for Nordic Mining for Q4 2009 can be found on the Company's webpage, www.nordicmining.com. This report has not been audited. Also interim reports (unaudited) for previous periods are available on the Company's website.

19.5 DIVIDEND POLICY

Nordic Mining intends to follow a dividend policy favorable to the shareholders. The amount of any dividends to be distributed will be dependent on the Company's investment requirements and rate of growth as well as the general development and financing requirements of the Company.

Nordic Mining has not paid any dividend since its incorporation.

19.6 LEGAL ARBITRATION PROCEEDINGS

As of 1 March 2010, the Company is not party to, has not in the previous 12 months been a party to, and is not aware of potential, governmental, legal or arbitration proceedings that will have a significant effect on its financial position or profitability.

19.7 SIGNIFICANT CHANGES SINCE 31 DECEMBER 2009

The Engebø project

In January 2010, Nordic Mining signed a cooperation agreement with the Dutch company Arcadis Nederland BV with the purpose to test eclogite (and anorthosite) as stone meal for soil conditioning in agriculture.

In February 2010, Nordic Mining signed an agreement with a leading, international producer of industrial minerals related to technical and commercial development of garnet products from Engebø. On the technical side the cooperation will include i.a. testing, product analysis and process design for an optimal beneficiation process for high quality garnet. Subject to a successful development of the Engebø project, the parties intend to enter into exclusive commercial relations for sales and distribution of garnet from Engebø.

On behalf of Nordic Mining, the technology company Outotec (USA) Inc. has carried out laboratory studies on recovery of rutile and garnet from the Engebøfjellet eclogite ore. The studies have focused on initial stage separation and classification, including high intensity magnetic separation. The studies are part of the development program towards a process scheme for pilot plant production and final flow sheet for the Engebø project. The studies, which were reported in February 2010, show that an overall recovery rate of rutile above 60% is realistic. The study also suggests new process alternatives that may exclude the use of flotation cells, which will reduce usage of flotation agents and cost of production.

Share capital

In February 2010, Nordic Mining completed the Private Placement towards large existing shareholders and selected Norwegian and international institutional investors. Gross proceeds from the issue were NOK 20.0

million. The number of shares in the Company was increased from 95,470,091 to 115,470,091. The price in the Private Placement was set at NOK 1.00 per share.

Financing

In 2010, Gudvangen Stein AS has agreed an extension of the period with exempt from repayment on its interestbearing bank loan of NOK 9.3 million. The exempt period is extended to January 2011.

Extraordinary general meeting

On 1 March 2010 an extraordinary general meeting was held in Nordic Mining. The extraordinary general meeting among other resolved the Subsequent Offering towards the shareholders as of 4 February 2010 who were not invited to participate in the Private Placement. These shareholders are entitled to subscribe up to a total of 10,000,000 new shares at a subscription price of NOK 1.00 per share (total gross proceeds up to NOK 10.0 million).

Except from the abovementioned, the Company is not aware of any significant changes in the financial or trading position of the Group which has occurred since the end of 2009.

19.8 SEGMENT INFORMATION

In 2006 and 2007, Nordic Mining's activities were focused on exploration and development of mineral properties, and all the Group's fixed assets were located in Norway. Economic interests in four gold concessions in Ecuador that were transferred to Nordic Mining in the demerger from Rocksource were transferred at zero book value. Therefore, and for management purposes, the Company was organised as one business unit and the internal reporting was structured accordingly. Consequently, for 2006 and 2007 the Company was organised as one operating segment.

Following the acquisitions of Gudvangen Stein and Keliber, and the new standard under IFRS 8 "Operating segments" (effective from 1 January 2009), Nordic Mining has presented segment information in its financial reports as from Q1 2009. The Group shows segments on the basis of products or products under development within various minerals. The three reportable segments are:

- Anorthosite, which is produced by Gudvangen Stein AS.
- Lithium, whereby Keliber Oy in Finland has mining rights for mineral resources and is planning production of lithium carbonate.
- Titanium feedstock, which can be produced from the mineral deposit at Engebøfjellet where the Group has submitted proposal for development plan with environmental impact assessment as well as application for waste disposal.

The reconciling column "Adjustments and eliminations" include the Group's administration costs and other unallocated corporate business development costs as well as elimination entries related to preparing consolidated financial statements.

The Group uses the segments' profit/(loss) before tax as the basis for the segment results including some allocations of corporate expenses but excluding purchase price allocations related to business combinations. All the numbers in the table below are in NOK thousands and present the period 1 January – 31 December.

	Anorthosite		Lithium		Titanium		Adjustments and eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenues	20 269	17 794	-	-	-	-	-	-	20 269	17 794
Segment result	(6 240)	(19 868)	(2 038)	(1 282)	(10 818)	(13 746)	(7 962)	(7 926)	(27 058)	(42 821)

19.9 TRENDS

The Company has not experienced any significant changes or trends in production, sales and inventory, and costs and selling prices since the end of December 2009 or for the financial year 2010 as at the date of this Prospectus.

19.10 FUNDING AND TREASURY POLICIES AND OBJECTIVE

The Board of Directors together with the Chief Financial Officer shall ensure that the Company has adequate, though not excessive cash resources, and when applicable borrowing arrangements and overdraft or standby facilities, to enable it at all times to have the level of funds available which is required to achieve its business/service objectives.

The Company has established accounting and internal control systems to ensure that the cash resources, or when applicable loan facility funds, are appropriate according to plans and allowed use set by the Board of Directors, in accordance with laws, regulations and auditing standard and practices generally accepted in Norway.

20. ADDITIONAL INFORMATION

20.1 THE SHARE CAPITAL

The Company's share capital prior to the Private Placement was NOK 9,547,009.10 divided into 95,470,091 Shares, each with a par value of NOK 0.10. Subsequent to the listing of all the Shares issued in connection with the Private Placement, the share capital is NOK 11,547,009.10 divided into 115,470,091 Shares, each with a par value of NOK 0.10.

20.1.1 General

Under Norwegian law, limited liability companies are divided into two categories, private and public companies. Only the shares of public companies may be traded on a stock exchange or other regulated market places. Nordic Mining is a public limited liability company (ASA), subject to provisions of the Public Limited Companies Act.

20.1.2 Own shares

The Company does not own Shares in the Company. The Board holds no authorisation to acquire Shares in the Company.

20.1.3 The Shares

The Company has one class of Shares that are authorised and issued and fully paid.

20.1.4 Share options, convertible securities, etc

There are no options established to the share capital of the Company, other than the options granted to the members of the executive management and other key persons, according to the option plan resolved by the Board, in accordance with an authorization from the general meeting, see Section 14.

The Company has not issued any convertible securities, exchangeable securities, warrants or other securities exchangeable into Shares other than the incentive scheme for executive officers and key personnel described in Section 14.

20.1.5 Authorisation to increase the share capital

On 15 June 2009 the general meeting of the Company authorised the Board to increase the share capital of the Company among other through private placements or as settlement in an acquisition. The authorisation was used on 5 February 2010.

The general meeting of the Company on 1 March 2010 resolved a new authorisation for the Board to increase the share capital of the Company as follows:

"The Board of Directors of Nordic Mining ASA (the "Company") is granted the authority to carry out one or more increases in the share capital by issuing up to 40,000,000 shares, representing approximately 35 per cent of the share capital of the Company at the time of this authority. Accordingly the share capital can in accordance with this authority be increased with up to NOK 4,000,000.

This authority can be used in connection with the following:

- (1) Private placement and the issuing of shares to suitable investors for raising of further capital to the Company.*
- (2) As full or partial compensation in case of full or partial acquisitions/investments.*

The Board of Directors may, pursuant to this authorisation, offer shares to persons or companies that are not shareholders in the Company.

Payment of share contribution in connection with a capital increase under this authorisation may be made by contribution in kind or by other ways as set out in section 10-2 of the Norwegian Public Limited Liabilities Act.

The preferential right of existing shareholders may be waived.

If the Board of Directors resolves to issues shares for cash consideration pursuant to this authorization where as a consequence, (1) the share capital of the company is increased with more than 10 %, or (2) where the interest of the existing shareholders requires a subsequent offering, the Board shall within reasonable time resolve a subsequent offering to the existing shareholders in the Company where they are offered the possibility to subscribe for shares on the same terms.

The Board of Directors may amend the Article 4 of the Articles of Association in accordance with the increases of capital resolved by the Board of Directors pursuant to this authorisation.

The authorisation to the Board of Directors is according to this section 5 valid for 1 year as from the date of this resolution."

20.1.6 Share capital development

The Company has undertaken the following share issues since it was registered in May 2006.

Year	Form of transaction	Change in share capital (NOK)	Par value (NOK)	Issue price (NOK)	Total share capital (NOK)	Number of shares after change
2006	Company established through demerger from Rocksource ASA	n.a.	0.10	n.a.	1,435,907.00	14,359,070
2006	Share issue	1,435,907.00	0.10	1.10	2,871,814.00	28,718,140
2007	Private placement	1,090,000.00	0.10	2.50	3,961,814.00	39,618,140
2007	Share issue	1,386,183.50	0.10	2.50	5,347,997.50	53,479,975
2008	Private placement	3,333,333.30	0.10	1.50	8,681,330.80	86,813,308
2008	Share issue	510,400.00	0.10	1.53	9,191,730.80	91,917,308
2008	Share issue	355,278.30	0.10	1.50	9,547,009.10	95,470,091
2010	Private placement	2,000,000.00	0.10	1.00	11,547,009.10	115,470,091

Subsequent to the Private Placement, the Company's share capital is NOK 11,547,009.10. The number of Shares outstanding after the Private Placement is 115,470,091.

20.2 MEMORANDUM AND ARTICLES OF ASSOCIATION

The Articles of Association of Nordic Mining are included in Appendix 1 to this Prospectus.

According to its Articles of Association section 3, the object of the Company is to carry on exploration for coal, minerals and ores, mining activity, technology development, activities that may be associated herewith, and participation in other companies anywhere in the world.

The Company has one class of shares only. According to the Articles of Association section 5 the Board shall have at least 3 and maximum 8 members.

The Articles of Association of the Company contain no provisions restricting foreign ownership of Shares. There are no limitations under Norwegian law on the rights of non-residents or foreign owners to hold or vote for the Shares.

20.3 SHAREHOLDER RIGHTS

The Shares are identical in every respect and carry the right to one vote at general meetings. None of the major shareholders have different voting rights.

All dividends of the Company shall be declared, apportioned and paid to the shareholders pro rata to the number of Shares held at the relevant date. Shareholders have pre-emption rights in new issues of securities by the Company. Such pre-emption rights may be waived by two-thirds of the votes cast as well as two-thirds of the aggregate share capital represented at the general meeting of the Company.

Any amendment of shareholders' rights, including the right to vote at the general meeting, must be done by amending the Articles of Association. Such amendments requires the affirmative vote of two-thirds of the votes cast as well as two-thirds of the aggregate share capital represented at the general meeting.

All Shares carry an equal right to any surplus in the event of a liquidation of the Company. There are neither restrictions on the transferability of the Shares nor any restrictions on foreign ownership of the Company's Shares. Existing shareholders do not have any pre-emptive rights upon the transfer of Shares in the Company.

20.4 CORPORATE MATTERS

The Company is a Norwegian public limited company (ASA) registered on 8 May 2006 through the demerger of Rocksource's business within exploration of metals and minerals. The Company is registered with the Norwegian Registry of Business Enterprises with the organisation number: NO 989796739, subject to Norwegian regulations. The Articles of Association are included in Appendix 1 to this Prospectus. Nordic Mining has its head office at Munkedamsveien 45, NO-0250 OSLO, Norway.

The Shares of Nordic Mining are admitted to trading on the Oslo Axess with the ticker NOM with a traded share price of NOK 1.58 and a market capitalisation of approximately NOK 198 million as at 4 March 2010.

The Company's share register is operated through VPS. The Company's registrar is DnB NOR Bank ASA. The securities number (ISIN number) for the Shares is NO 0010317340.

20.5 LEGAL AND ARBITRATION PROCEEDINGS

As of the date of this Prospectus and for the preceding 12 months, the Company is not and has not been involved in any governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened of which the Company is aware of, which are likely to have, or have had in the recent past, significant effects on the Company's financial position.

20.6 SHAREHOLDER MATTERS

Transfer of Shares

According to the Articles of Association, there are no general limitations on transfer of the Shares in the Company.

Disclosure requirements

Under Norwegian law, an acquisition disposal or any other circumstance, that causes a shareholder's proportion of shares and/or rights to shares to reach, exceed or fall below 5 per cent, 10 per cent, 15 per cent, 20 per cent, 25 per cent, 1/3, 50 per cent, 2/3 or 90 per cent of the share capital or an equivalent proportion of the voting rights in a company whose shares are quoted on Oslo Axess, the shareholder shall immediately notify such transaction to the stock exchange.

Mandatory filing requirements under the Norwegian Competition Act

The Norwegian Competition Act of 5 March 2004 No. 12 (the "Competition Act") stipulates a mandatory filing requirement for certain mergers and transactions involving acquisition of control of another undertaking. The Competition Act applies to concentrations as defined in art. 3 of EC Council Regulation 139/2004 (2004 ECMR), i.e. to mergers between two or more previously independent undertakings, and to acquisitions of direct or indirect control on a lasting basis of the whole or parts of another undertaking. The EC Commission's and the EC Court's interpretation of the notion of concentration under the said regulation is relevant when determining which mergers are comprised by the Competition Act.

All mergers and transactions involving acquisition of control must be notified to the Norwegian Competition Authority (the "NCA") if the undertakings involved in the transaction have a combined annual turnover in Norway of NOK 50 million or more. However, if only one of the undertakings involved in the transaction has an annual turnover in Norway exceeding NOK 20 million, the transaction need not to be notified.

Notwithstanding the above, the filing requirements under the Competition Act do not apply to concentrations that are within the turnover thresholds of the EC Merger Regulation or equivalent thresholds in the EEA Agreement. Accordingly, the principle of one-stop-merger control applies.

Transactions must be notified to the NCA no later than when a final agreement between the parties is reached or if control over another undertaking in fact is acquired prior to a final agreement. The Competition Act allows for voluntary filing at an earlier stage. The obligation to notify the transaction is imposed on the parties to the merger or on the acquirer(s) of an undertaking.

The mandatory filing requirement under the Competition Act imposes an obligation to submit a so-called simplified notification. If the NCA finds reason to consider the transaction more closely, the NCA may require that the parties to the merger/the acquirer(s) submit(s) a so-called complete notification. The NCA must make such a requirement within 15 working days after they have received the simplified notification. If this is not done, the NCA cannot intervene against the transaction after this deadline has expired. The parties may also voluntarily submit a complete notification without having received instructions from the NCA.

Where the NCA has imposed an obligation to submit a complete notification, the implementation of the transaction must be suspended. The same applies if a complete notification is submitted voluntarily. For mergers or acquisitions of control, the stand-still obligation comes into effect as soon as the party/parties have received the order to submit a complete notification. For voluntary filings, the stand-still comes into effect from the time of submission of a complete notification. The suspension period lasts for 25 working days calculated from the time the NCA has received the complete notification. It is within this time limit that the NCA must decide whether to investigate the transaction further and warn the parties that they may interfere with the transaction. The NCA may also order a prolonged prohibition on implementation of a transaction, provided that there is reason to believe that the concentration may create or strengthen a significant restriction on competition and that a temporary prohibition is necessary in order to ensure that a potential decision from the NCA can be carried out.

If the NCA decides to investigate the transaction further, i.e. beyond the above mentioned 25 working days period, the NCA must provide a reasoned draft decision of intervention no later than 70 working days as from the receipt of the complete notification. The parties will then have 15 working days to submit their comments to the draft decision. The NCA must reach a final decision no later than 15 working days after the receipt of such comments. If the parties have submitted a proposal for commitments, they can request that an additional 25 working days are added to NCA's deadline to reach a final decision.

Mandatory offer requirement

Norwegian law requires any person, entity or group acting in concert that acquires more than 1/3 of the voting rights of a Norwegian company listed on Oslo Axess or Oslo Stock Exchange to make an unconditional general offer for the purchase of the remaining shares in the company or within 30 days dispose of a number of voting shares which brings the percentage of voting rights below 1/3. The said shareholder must immediately following owning more than 1/3 of the voting rights notify the company and Oslo Axess (or Oslo Stock Exchange) about its acquisition and whether it will make an offer or dispose of the excess shares. A notice informing about a disposal can be altered to a notice of making an offer within the 30 day period, while a notice stating that the shareholder will make an offer cannot be amended and is thus binding. An offer is subject to approval by Oslo Axess (or Oslo Stock Exchange) before submission of the offer to the shareholders. The offer price per share must be at least as high as the highest price paid or agreed by the offeror in the six-month period prior to the date the 1/3 threshold was exceeded, but equal to the market price if it is clear that the market price was higher when the 1/3 threshold was exceeded. In the event that the acquirer thereafter, but prior to the expiration of the bid period acquires, or agrees to acquire, additional shares at a higher price, the acquirer is obliged to restate its bid at that higher price. A mandatory offer must be unconditional and in cash (NOK) or contain a cash alternative at least equivalent to any other consideration offered. Until an offer has been made or a disposal completed, the shareholder will have no voting rights or other rights relating to the shares exceeding the 1/3 threshold apart from the right to receive dividends and pre-emption rights in the event of a share capital increase.

A shareholder or consolidated group which owns shares representing more than 1/3 of the votes in a listed company, and which has not made an offer for the purchase of the remaining shares in the company in accordance with the exemptions concerning mandatory offers, is as a main rule obliged to make a mandatory offer in the case of each subsequent acquisition. However, there are exceptions from this rule, including for a

shareholder or a consolidated group, which, upon admission of the company to listing on a stock exchange, owns more than 40 per cent of the shares in the company.

A mandatory offer is also required when a shareholder holding more than 1/3 of the voting rights of a listed company acquires 40 per cent or more of the voting rights of the company. Further, this obligation re-enters when 50 per cent or more of the voting rights are acquired.

A shareholder that subsequent to the entry into force of the Norwegian Securities Trading Act 2007 acquires shares representing more than 1/3, 40 per cent or 50 per cent of the votes in a listed company without being obliged to make an offer for the purchase of the remaining shares in the company in accordance with the provisions concerning mandatory offers (i.e. due to available exemptions), is obliged to make a mandatory offer in the case of each subsequent acquisition.

Compulsory acquisition

If a shareholder, directly or via subsidiaries, acquires Shares representing more than 90 per cent of the total number of issued Shares as well as more than 90 per cent of the total voting rights in the Company, then such majority shareholder would have the right (and each remaining minority shareholder of the Company would have the right to require such majority shareholder) to effect a compulsory acquisition for cash of any Shares (minority shareholder requests only relates to its own shares) not already owned by such majority shareholder. Such compulsory acquisition decision by the majority shareholder leads to that the majority shareholder becomes the owner of the thus acquired shares with immediate effect subject to following certain procedures. Upon effecting the compulsory acquisition the majority shareholder would have to offer the minority shareholders a specific price per share. If the compulsory acquisition takes place within three months of the expiry of the acceptance period of a mandatory or voluntary offer, then the price should be the same as the price offered in the mandatory or voluntary offer unless particular reasons indicate otherwise.

If the compulsory acquisition does not take place within three months of the expiry of an acceptance period, then the majority shareholder shall suggest a price. Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline not to be of less than two months' duration, request that the price be set by the Norwegian courts. Absent such request or other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the two months deadline. The cost of such court procedure would, as a general rule, be for the account of the majority shareholder, and the courts would have full discretion in respect of the valuation of the Shares as per the effectuation of the compulsory acquisition within the scope of the real value of the Shares.

Voting rights

Each share in the Company carries one vote. Each share held by a major shareholder carries the same voting right as each share held by any other shareholder.

As a general rule, resolutions that shareholders are entitled to make pursuant to Norwegian law or the Articles of Association require a simple majority of the votes cast. In the case of election of members to the Board, the persons who obtain the most votes cast are deemed elected to fill the positions up for election. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights in connection with any share issue, to approve a merger or de-merger, to amend the Articles of Association or to authorise an increase or reduction in the share capital, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting.

Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval of the holders of such shares or class of shares as well as the majority required for amendments to the Articles of Association. Decisions that (i) would reduce any shareholder's right in respect of dividend payments or other rights to the assets of the company or (ii) restrict the transferability of the shares, require a majority vote of at least 90 per cent of the share capital represented at the general meeting in question as well as the majority required for amendments to the Articles of Association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Articles of Association.

In general, in order to be entitled to vote, a shareholder must be registered as the beneficial owner of Shares in the share register kept by the VPS. Beneficial owners of Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor are any persons who are designated in the register as holding such Shares as nominees. Readers should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote for nominee-registered shares. For example, Oslo Stock Exchange

has held that in its opinion “nominee-shareholders” may vote in general meetings if they actually prove their shareholding prior to the general meeting.

General meetings of shareholders

Through the general meeting, the Company’s shareholders exercise the supreme authority in the Company, subject to the limitations provided by Norwegian law. All shareholders in the Company are entitled to attend and vote at general meetings, either in person or by proxy. See the previous section “Voting rights” with regard to certain restrictions on voting right applying for nominee-registered shares, etc.

General meetings are conveyed by the Board. A notice of a general meeting shall be sent at the latest three weeks before the date of the meeting, and shall include a proposal for an agenda for the meeting. A shareholder is entitled to submit proposals to be discussed at general meetings provided such proposals are submitted in writing to the Board in such good time that it can be entered on the agenda of the meeting.

The annual general meeting shall be called by the Board such that it can be held within six months from the end of each financial year. The annual general meeting shall deal with and decide on the adoption of the annual financial statement and annual report, the question of declaring dividend and such other matters as may be set out in the notice of the annual general meeting.

Extraordinary general meetings can be called by the Board, and if applicable by the corporate assembly or the chairman of the corporate assembly. In addition, the Board shall call an extraordinary general meeting whenever so demanded in writing by the auditor or shareholders representing at least 5 per cent of the share capital, in order to deal with a specific subject.

Additional share issuances and preferential rights

All issuances of shares by the Company, including bonus issues, require an amendment to the Articles of Association, which requires the same vote as other amendments to the Articles of Association. Furthermore, under Norwegian law, the Company's shareholders have a preferential right to subscribe for issues of new shares by the Company. The preferential rights to subscribe in an issue may be waived by a resolution in a general meeting by the same vote required to approve amendments to the Articles of Association. A waiver of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding shares, irrespective of class.

Under Norwegian law, bonus issues may be distributed, subject to shareholder approval, by transfer from the Company's free equity or from its share premium reserve. Such bonus issues may be effectuated either by issuing shares or by increasing the par value of the shares outstanding.

Dividends

Under Norwegian law, no interim dividends may be paid in respect of a financial period as to which audited financial statements have not been approved by the annual general meeting of the Company, and any proposal to pay a dividend must be recommended or accepted by the Board and approved by the shareholders at a general meeting. The shareholders may vote to reduce (but not to increase) the dividends proposed by the Board.

Dividends in cash or in kind are payable only out of (i) the annual profit according to the adopted income statement for the last financial year, (ii) retained profit from previous years, and (iii) distributable reserves, after deduction of (a) any uncovered losses, (b) the book value of research and development, (c) goodwill, (d) net deferred tax assets recorded in the balance sheet for the last financial year, (e) the aggregate value of any treasury shares the Company has purchased or been granted security over during the preceding financial years, (f) any credit or security given pursuant to sections 8-7 to 8-9 of the Public Limited Companies Act, and provided always that such distribution is compatible with good and prudent business practice with due regard to any losses which may have occurred after the last balance sheet date or which may be expected to occur. The Company cannot distribute any dividends if the equity, according to the balance sheet, amounts to less than ten per cent of the total assets, according to the balance sheet without following a creditor notification procedure as required for reducing the share capital.

Under Norwegian foreign exchange control rule and regulations currently in effect, transfers of capital to and from Norway are not subject to prior government approval except for the physical transfer of payments in

currency, which is restricted to licensed banks. Consequently, a non-Norwegian resident may receive dividend payments without Norwegian exchange control consent if such payment is made only through a licensed bank.

The Board will consider the amount of dividend (if any) to recommend for approval by the general meeting of the Company, on an annual basis, based upon the earnings of the Company for the years just ended and the financial situation of the Company at the relevant point in time. Hence, the shareholders do not have a right to share in the Company's profits by way of dividends. All shareholders that are shareholders at the time of the general meeting making its resolution are entitled to dividend. There is no time limit under which the individual shareholder's entitlement to a declared dividend lapses.

Change of the rights of holders of Shares

The Articles of Association do not contain any special regulations for changing the rights of holders of the Shares of the Company. Subject to specific requirements set out in the Public Limited Companies Act, the general meeting may adopt a resolution to change rights attached on the Shares. Such resolution requires an amendment to the Articles of Association, which requires the same vote as other amendments to the Articles of Association. In addition, stricter majority requirements may apply depending on the manner in which the change of rights shall be carried out.

Redemption and conversion rights

There are no redemption rights or conversion rights attached to the Shares.

Rights on liquidation

Under Norwegian law, the Company may be liquidated by a resolution in a general meeting of the Company passed by a two-thirds majority of the aggregate votes cast as well as two thirds of the aggregate share capital represented at such meeting. The Shares rank *pari passu* in the event of a return on capital by the Company upon a liquidation or otherwise.

Reports to shareholders

The Company publishes annual and interim reports that include financial statements. The consolidated financial statements are published in accordance with the International Financial Reporting Standards, IFRS, as issued by the International Accounting Standards Board.

Notification and publication requirements

As from the date of the application for listing on Oslo Axess in 2007, the Company has provided its shareholders, Oslo Axess and the market as a whole with timely and accurate information. Notices are published through www.newsweb.no and on the Company's website (www.nordicmining.com).

21. MATERIAL CONTRACTS

Nordic Mining has entered into the following contracts considered to be of material importance for the business of the Company:

- Acquisition of Gudvangen Stein from Nannok Invest AS. For further information please see Section 6.6.2.
- Acquisition of Keliber from the founders. For further information please see Section 6.6.3.
- Acquisition of Engebøfjellet rutile deposit from ConocoPhillips Investments Norge AS. For further information please see Section 6.6.1.
- Technology license agreement with Rocksource ASA relating to a perpetual global license to all EM- and reservoir technology applied on other resources and materials than hydrocarbons. For further information please see Section 6.6.4.

Further, Nordic Mining will from time to time enter into consultancy agreements with research institutions and consultants, and resource persons employed at such institutions and companies, with expertise within mining, geology mineral processing and other related areas. For further information please refer to Section 6.6, 16.2 and 16.3.

22. THIRD PARTY INFORMATION AND STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

22.1 STATEMENTS BY EXPERTS

Nordic Mining has requested expert opinions for Engebø, Gudvangen Stein and Keliber (Länttä). The summaries of the expert opinions are included in this Prospectus.

Summary of expert opinion Engebø

Summary of expert opinion for the Engebø rutile deposit as further described in Section 6.6.1 in this Prospectus made by Adam Wheeler, Cambrose Farm, Redruth, Cornwall TR16 4HT, England, dated 12 November 2009 is found below. Adam Wheeler is an independent mining consultant, and is also a registered Chartered Engineer (C. Eng and Eur. Ing). In November 2008, he and Bob Dowdell (also an independent mining consultant) completed a scoping study for the Engebøfjellet rutile deposit. This scoping study followed on from a resource estimate of Engebøfjellet, which was completed by Adam Wheeler in April 2008. Neither Adam Wheeler nor Bob Dowdell holds any Shares in Nordic Mining.

“Engebøfjellet is a large rutile deposit within eclogite rock on the northern side of Fjørdefjord in Naustdal municipality, Sogn og Fjordane county, West Norway. The conclusions of the Scoping Study can be summarised as follows:

1. **Resource Estimate.** *A JORC-compliant resource estimate has been prepared for Engebø, focussed on the contained TiO₂. At a cut-off grade of 3% TiO₂, 31.7Mt of indicated resources were estimated, with a grade of 3.77% Total TiO₂ and 17.3% Fe₂O₃. The resources below sea-level were limited to a boundary 90m from the edge of the fjord. Laboratory analysis indicates that 94% of the total TiO₂ is contained in rutile. A further 123Mt of inferred resources have also been estimated.*
2. **Open Pit Planning.** *When considering the potential revenues from both rutile and garnet production, an open pit optimisation containing more than 40Mt of possible ore may be achievable. This pit has also been limited so to restrict the visual impact of the pit on the neighbouring populations. However, further drilling is required, as well as detailed garnet grade measurements, in order to be able to delineate and evaluate open pit reserves. This drilling work has already been outlined and should be started during 2009.*
3. **Processing Plant.** *Work has started for the development of a processing plant. Earlier design work by DuPont indicated a rutile recovery of 50%, and ongoing testwork is focussed on enhancing this basic design, so as to improve rutile recovery, and allow the recovery of sellable garnet.*
4. **Tailings Disposal.** *The tailings produced will be inert. Initial design by the Norsk Institute of Water Research indicates that it should be possible to settle tailings onto the base of the adjoining 300m deep fjord. According to this study, this method of disposal will not affect bio-life above the 200m from the fjord bottom, and no fishing will be affected.*
5. **Preliminary Economic Analysis.** *Economic modelling has indicated positive returns for an open pit mining operation, producing rutile and garnet. This work has enabled the targeting of key aspects of the project, for on-going study and testwork.*
6. **Underground Potential.** *The resource base extends to depth and to the west, where open pit mining is not desirable. Ground conditions are expected to be very favourable and with a large orebody to mine, large stopes can be planned. From preliminary studies, underground mining looks to be feasible and economic.”*

Summary expert opinion Gudvangen Stein

Summary of expert opinion for Gudvangen Stein's anorthosite deposit, as further described in Section 6.6.2 of this Prospectus made by Jan Egil Wanvik of Geological Survey of Norway (NGU), NO-7441 Trondheim, Norway, dated 4 September 2007 and reviewed/updated 3 November 2009 is found below. Jan Egil Wanvik is a Geologist and Member of the Industrial minerals and ores project group at NGU. Wanvik holds a University Degree in Civil Engineering from NTH (Norwegian University of Science and Technology, today known as NTNU). Jan Egil Wanvik does not hold any Shares in Nordic Mining. There exists a frame agreement for supply of geological data, expertise and resources between Nordic Mining and NGU, as further described in Section 6.6 in this Prospectus.

"The Gudvangen Stein AS property is located within the 700 km² huge anorthosite massifs of the inner part of the Sognefjord area of Western Norway. This anorthosite complex is the largest in Western Europe and the impressive anorthosite-mountains with light coloured weathering surface are a major factor in making the landscape especially scenic in this area. The Gudvangen Stein's 900.000m² property is situated central in the 1000m vertical Nærøydal section of a 140km² large separate anorthosite body extending 25 km southwards from Gudvangen/Nærøydalen to Mjølfjell by the Bergen railroad.

Underground mining has been carried out since about 1960 at the base of Nærøydalen 8km up valley from shipping facilities at Gudvangen inmost in the Nærøyfjord. The white anorthosite of the mining area in the valley has been sold for varied uses such as road aggregate, concrete elements, laundry detergent powder and toothpaste. In later years the Gudvangen anorthosite has become increasingly popular as a major ingredient in manufacture of rock wool, and at presents the company ships to 9 different rook wool plants in Europe. The second most important product today is as light coloured road surfaces, and most of this is exported to major European asphalt companies that evaluate the superior mechanical properties of this white anorthosite. The PSV (Polished Stone Value) of the white variety is unusually good.

Anorthosite is per definition an intrusive rock that constitutes at least 90% of the feldspar mineral plagioclase. Two main varieties of anorthosite are present within the mining area of Nærøydalen. One type occurs at the higher and inner levels of the mountainsides; a primary coarse-grained anorthosite where the almost monomineralic feldspar content is soluble in acids and thus well suited for processing that requires dissolving of the minerals. The other type is situated in lower and surface-near parts of the valley bottom and is an altered white, fine-grained type used for light coloured special asphalt and concrete markets. Both types have the same high aluminium content and are thus well-suited material for rock wool production that at present is the major end product.

The Inner Sogn anorthosite bodies are well known for their uncommon high aluminium content (30% Al₂O₃ in average), and the rock has for several periods during the last 90 years been the target for providing a possible alternative raw material supply for aluminium metal production. For this purpose an extraction process is necessary, and the unaltered variety that dominates the anorthosite massifs of the region is known for its solubility in mineral acids. The 100 km² Gudvangen-Mjølfjell massif is of especially good quality as to both acid solubility and low content of contaminating dark minerals, and this aluminium-calcium-rich anorthosite is hard to find both in Norway and worldwide in large and homogenous quantities as in the Nærøydalen area. The Gudvangen deposit is world class in this category.

The underground mining areas in Nærøydalen are an excellent base for present and future mining of a broad range of annual quantities of high quality anorthosite. The well functioning upgraded mining system at Jordalsnuten provides flexibility to handle both present production capacity and medium scale future expansion. Several hundred million tonnes of anorthosite are situated within Gudvangen Stein's property and with the additional immense quantities present in adjoining areas of the large Gudvangen-Mjølfjell anorthosite-massif, the raw material base is considered to be practically unlimited.

Anorthosites in general have a wide range of potential uses, and the aluminium-calcium rich variety of the Gudvangen area has especially varied possible applications in addition to the present established markets of rock wool, asphalt and concrete. The availability of both the two main anorthosite varieties in the Gudvangen Stein's mining area is advantageous in exploiting new potential market areas and Nordic Mining has an ongoing program in investigating possible new application areas for the Gudvangen rock products and various mineral and processing studies are undertaken to achieve the best possible results.

Recent sampling within the mine shows that in addition to the two main varieties of anorthosite, many different combinations and gradations of these two are available in the mine, giving interesting possibilities for diverse applications needing special mineral combinations.

The Company adds that the expected period of production at the Gudvangen deposit is more than 100 years.

Summary expert opinion Keliber (Länttä)

Summary of expert opinion for the Länttä spodumene deposit, as further described in Section 6.6.3 of this Prospectus, made by Esko Koistinen of Geological Survey of Finland (GTK), P.O. Box 96, FI-02151 Espoo, Finland, dated 6 February 2008 and reviewed 28 October 2009 is found below. Esko Koistinen is a Geologist and Member of the European Federation of Geologists. Koistinen holds a University Degree in Economic Geology and Excavation Engineering (M.Sc.) and in Economic Geology and Applied Geophysics (Lic.Tech) from Helsinki University of Technology. Esko Koistinen does not hold any Shares in Nordic Mining.

The Länttä lithium pegmatite deposit is located in the Ullava municipality in Central Ostrobothnia, Western Finland, 60 km southeast from Kokkola (map sheet 2341 02). The dike is hosted by a meta greywacke schist. The pegmatite has no natural outcrop but it has been uncovered when doing pilot mining. The topography is gentle and the thickness of overburden is from 0 to 7 m, 4 m in average.

The deposit was found by Suomen Mineraali Oy in the early sixties. In 1963 – 1967 twenty seven diamond drill holes, with a total length of 2931 m, were drilled into the deposit by Paraisten Kalkkivuori Oy, which had acquired Suomen Mineraali Oy. Pilot mining, metallurgical studies and experiments on manufacturing lithium salts were done in 1978 and in 1980. Partek Oy, formerly Paraisten Kalkkivuori Oy, surrendered the mining rights for Länttä in 1992 due to poor markets for lithium salts.

The KeLiBer-project began investigations of spodumene pegmatites in Central Ostrobothnia in 1999 and attained mining rights to Länttä. After first stage studies were completed, Keliber Oy was established in 2001 to continue further evaluation of the deposit. Geological Survey of Finland (GTK) was given the task of enquiring into the mineralogy and mineral resources of the deposit. Old profiles and plans of the deposit were digitized for 3D modelling. The mineral resource assessment of the deposit was based mainly on the pegmatite dike locations obtained from drilling and on drill core assays. Drill core samples were re-examined and 38 elements were analysed from 111 samples (271 m). Advances in analysing techniques led to higher lithium values compared to values obtained in the older investigations.

The Länttä dikes represent an example of homogenous albite-spodumene pegmatite. Albite and quartz are the dominant minerals along with lesser spodumene and potash feldspar. Spodumene occurs in the pegmatite from contact to contact and is orientated perpendicularly to the contact of the dike. Based on whole rock chemical analyses and detailed analysis of the mineral compositions of the pegmatite, the average modal composition of the pegmatite is estimated to be: albite 40%, quartz 25%, potash feldspar 16%, spodumene 16%, muscovite 2% and other minerals 1%. Other minor minerals include small amounts of beryl and columbite, which may have some economic value. According to the analyses made by GTK, the lithium content of spodumene varies from 5.55 to 6.75 % Li₂O.

3D modelling of the Länttä lithium deposit and a compilation of a mineral resource assessment was completed by GTK in 2001. Later in 2003 GTK implemented a general plan for the mining site, a preliminary mining plan to the depth of 50 m and planning of crushing and final tailing ponds. This study was done as an order for Keliber Oy as a part of the production schedule for the deposit.

At a later date Kaustinen municipality and Keliber Oy ordered a mineral resource assessment and a mining plan for a mining depth of 200 m and a 15 year production life. GTK produced the study in 2005. The drilling data base was updated, when the Kaustinen municipality and Keliber Oy carried out further resource mapping based on a program prepared by GTK. The research program was implemented in the autumn and winter of 2004 – 2005 consisting of 21 drill holes with a total length of 2682 m. Five channel sample profiles with a total length of 42 m were cut with diamond saw from the surface of the dikes. Exposing the bed rock surface proved how comparatively hard the pegmatite dikes are as they stand out as much as a couple of metres above the plane of the surrounding rock surface.

The deposit was interpreted by solid modelling to consist of 32 separate dikes of different sizes. They appear as two parallel sets, each with a length of about 450 m and total width of about 40 m. The sets each have one main

dike with a width of 12 to 15 m. The strike of the dike sets is SW – NE and the dip 70 degrees to the SE. The mass of the solid modelled deposit is 3.012 Mt with a density of 2.75 t/m³. The new drill hole data fit well with the old 3D model of the deposit compiled from the older drill hole data in 2001, and supports the view of fairly continuous individual dikes. Though the pegmatite dikes seem to be fairly continuous, connection of the dikes from profile to profile is open to various interpretations for instance due to possible fault displacements.

The mineral resources were estimated to a depth of 200 m by block modelling. The Länttä lithium deposit contains in situ 2.947 Mt mineral resource with 0.921 wt% Li₂O, 78.9 ppm Ta₂O₅ and 80.3 wt% quartz-feldspar. Analcime can also be produced, and represents 15.8 wt% of the mass of the resource. On the basis of the present drilling frequency and a fairly good conformity of the pegmatite dikes, measured mineral resource are estimated to be 1.768 Mt, indicated resource 0.589 Mt and inferred resource 0.589 Mt.

The well known lithium potential of the Kaustinen – Ullava area increases attentions to the Länttä lithium deposit. Several other deposits, for example Emmes and Jänislampi are known to occur in the surroundings. GTK has also been doing lithium investigations in the area recently but they are incomplete for reporting at this point. The resources of these other deposits remain for potential future exploitation.

22.2 THIRD PARTY INFORMATION

The information in this Prospectus that has been sourced from third parties has been accurately reproduced and as far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

23. NORWEGIAN TAX

The statements herein regarding taxation are unless otherwise stated based on the laws in force in Norway as of the date of this Prospectus, and are subject to any changes in law occurring after such date. Such changes could be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, own or dispose of the Shares. Furthermore, the summary only focuses on the shareholder categories explicitly mentioned below (individual shareholders and limited liability companies).

Shareholders are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Shares. In particular, this document does not include any information with respect to U.S. taxation or taxation in any other jurisdiction than Norway. Prospective investors who may be subject to tax in the United States or any other jurisdiction are urged to consult their tax adviser regarding federal, state, local and other tax consequence of owning and disposing of Shares.

23.1 NORWEGIAN SHAREHOLDERS

Taxation of dividends - Individual shareholders

Dividends distributed to Norwegian individual shareholders are taxable as ordinary income at a rate of 28 per cent. The shareholders are, however, entitled to deduct a calculated tax-free allowance when calculating their taxable dividend income. The tax-free allowance will be calculated on a share by share basis, and the allowance for each Share will be equal to the cost price of the Share multiplied by a risk free interest rate. Any part of the calculated allowance one year exceeding the dividend distributed on the Share will be added to the cost price of the share and included in the basis for calculating the allowance the following years.

Taxation of dividends - Corporate shareholders (Limited liability companies)

Dividends distributed to shareholders who are limited liability companies resident in Norway for tax purposes ("Norwegian corporate shareholders") are exempted from taxation. However, 3 % of net income of shares (dividends and gains upon disposal of shares less losses upon disposal of shares) is added to the taxable income and taxed as general income at a rate of 28 per cent

Taxation on realisation of Shares - Individual shareholders

Sale, redemption or other disposal of Shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian individual shareholder through a disposal of Shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for computation of ordinary income in the year of disposal. Ordinary income is taxable at a rate of 28 per cent. Gain is subject to tax and loss is deductible for tax purposes irrespective of the duration of the ownership and the number of Shares owned and/or disposed of.

The capital gain (loss) equal the consideration received less the cost price of the Share and transactional expenses. From this capital gain, Norwegian individual shareholders are entitled to deduct a calculated tax-free allowance when calculating their taxable income. The allowance for each Share is equal to the total of allowance amounts calculated for dividends for this Share for previous years (ref above), less dividends distributed on this Share. The calculated allowance may only be deducted in order to reduce a taxable gain calculated upon the realization of the Share, and may not be deducted in order to produce or increase a loss for tax purposes.

If the shareholder owns Shares acquired and/or subscribed for at different points in time, the Shares that were acquired or subscribed for first will be regarded as the first to be disposed of, i.e. a first-in first-out basis applies.

Exit tax

An individual shareholder who is resident in Norway for tax purposes is liable for tax on calculated inherent capital gains on shares he owns at the time the tax liability to Norway cease. Similarly calculated inherent loss is tax deductible provided the individual immigrates to another EEA state.

The tax triggering event is the cessation of Norwegian tax residency, either under domestic Norwegian law or in accordance with any applicable tax treaty. At this point of time, usually several months after physical emigration from Norway, inherent gain (or loss) on securities shares, warrants, share options etc shall be calculated.

The Norwegian Exit tax rules only apply if the calculated capital gain on shares etc. exceeds NOK 500,000. Moreover, the calculated tax is annulled if the shares are not realised within five years from the point of time the tax liability to Norway ceased. Similarly, the settlement of any loss determined in the emigration year is delayed until realisation takes place and is contingent on that realisation takes place within five years from the point of time the tax liability to Norway ceased.

In order to avoid payment of the calculated inherent gains upon cessation of Norwegian tax residency, the taxpayer must provide a sufficient security or guarantee. With respect to some of the EU and EEA states, a guarantee is not necessary in order to obtain interest free postponement of payment. Further detailed rules do apply.

The exit tax rules also apply to Non-resident individuals establishing Norwegian tax residency. In such cases, the market value at the time of immigration to Norway for tax purposes of any shares owned by the individual shall be appraised in order to enable calculation of any future inherent capital gain on such shares upon a future (re) transfer of residency from Norway to another state.

Taxation on realisation of shares - Corporate shareholders

Save for the 3 per cent-rule described above, Norwegian corporate shareholders are not taxable in Norway on capital gains related to realisation of Shares, and losses related to such realisation are not tax deductible.

Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian individual shareholders. Norwegian corporate shareholders are not subject to net wealth tax. The marginal net wealth tax rate is 1.1 per cent of the value assessed. The value for assessment purposes for shares on Oslo Axxess is 100 per cent of the listed value as of 1 January in the year of assessment.

23.2 NON-RESIDENT SHAREHOLDERS

This section summarizes Norwegian tax rules relevant to shareholders who are not resident in Norway for tax purposes (“Non-resident shareholders”). Non-resident shareholders’ tax liabilities in their home country or other countries will depend on applicable tax rules in the relevant country.

Taxation of dividends

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes (“Non-resident personal shareholders”) are as a general rule subject to withholding tax at a rate of 25 per cent. The withholding tax rate of 25 per cent is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends.

The above generally applies also to shareholders who are limited liability companies not resident in Norway for tax purposes (“Non-resident corporate shareholders”). However, dividends distributed to Non-resident corporate shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax.

Non-resident personal shareholders resident within the EEA area are subject to ordinary withholding tax, but entitled to apply for a partial refund of the withholding tax, to the extent the dividend received less a calculated allowance similar to the calculated allowance used by Norwegian personal shareholders, multiplied with the general 25 per cent withholding tax rate, is lower than the actual withheld tax based on the withholding tax rate according to the applicable tax treaty.

Nominee registered Shares will be subject to withholding tax at a rate of 25 per cent unless the nominee has obtained approval from the Norwegian tax authorities for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is committed to file a summary to the relevant Norwegian tax authority including all beneficial owners that are subject to lower withholding tax. Non-resident shareholders

that have suffered a higher withholding tax than set out by an applicable tax treaty or the Norwegian Tax Act, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

If a Non-resident shareholder is carrying on business activities in Norway, and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation as Norwegian shareholders, as described above.

Taxation on realization of shares

Gains from the sale or other disposal of Shares by a Non-resident shareholder will not be subject to taxation in Norway unless the Non-resident shareholder owns the shares in connection with the conduct of a trade or business in Norway. In such case, the shareholder will be subject to the same taxation as Norwegian shareholders, as described above.

23.3 DUTIES ON THE TRANSFER OF SHARES

No stamp or similar duties are currently imposed in Norway on the transfer of shares whether on acquisition or disposal

23.4 INHERITANCE TAX

Transfer of Shares by way of inheritance or gift may be subject to Norwegian inheritance or gift tax. The basis for the computation is the market value at the time the transfer takes place. However, such transfer is not subject to Norwegian tax if the donor/deceased was neither a national nor resident of Norway for tax purposes.

24. DOCUMENTS ON DISPLAY

For the life of this Prospectus the following documents may be inspected:

- Appendix dated 5 March including:
 - Articles of Association found in Appendix 1
 - Subscription Form for the Subsequent Offering found in Appendix 2
- Nordic Mining Q4 2009 report
- Nordic Mining Annual report 2008
- Nordic Mining Annual Report 2007
- Nordic Mining Annual Report 2006
- Expert opinion on Engebø, Gudvangen Stein and Lântta written by Adam Wheeler, Jan Egil Wanvik and Esko Koistinen respectively

Any public documents referred to in this Prospectus, the Articles of Association and historical financial information may be obtained from the Company at the following addresses:

Visiting address: Nordic Mining ASA, Munkedamsveien 45, NO-0250 OSLO, Norway

Mailing address: Nordic Mining ASA, Munkedamsveien 45, NO-0250 OSLO, Norway

Tel: +47 22 94 77 90, Fax: +47 22 94 77 91

www.nordicmining.com

24.1 INCORPORATED BY REFERENCE

The information incorporated by reference in this Prospectus shall be read in connection with the cross-reference list set out in the table below.

All the relevant information can be found on the Company's webpage at www.nordicmining.com.

Cross reference	Section in Prospectus	Reference	Webpage
Q4 report 2009	Section 19.2.1, 19.2.2, 19.2.3, 19.2.4, 19.3.1, 19.4, 10	Q4 report 2009	http://www.nordicmining.com/getfile.php/Filer/Investors/Financial%20Reports/Reports%202009/NM%20Q4%202009.pdf
Annual report 2008	Section 19.2.1, 19.2.2, 19.2.3, 19.2.4, 19.3.2, 10	Annual report 2008	http://www.nordicmining.com/getfile.php/Filer/Investors/Financial%20Reports/Reports%202008/annual%20report%202008.pdf
Annual report 2007	Section 19.2.1, 19.2.2, 19.2.3, 19.2.4, 19.3.3, 10	Annual report 2007	http://www.nordicmining.com/getfile.php/Filer/Investors/Financial%20Reports/Reports%202007/Annualreport2007.pdf
Annual report 2006	Section 19.2.1, 19.2.2, 19.2.3, 19.2.4, 19.3.4, 10	Annual report 2006	http://www.nordicmining.com/getfile.php/Filer/Investors/Financial%20Reports/Reports%202006/annualreport2006.pdf

25. DEFINITIONS & GLOSSARY TERMS

The following definitions and glossary apply in this Prospectus unless dictated otherwise by the context, including the foregoing pages of this Prospectus. Definitions in plural also apply for words in singular, and vice versa.

Anorthosite	An Anorthosite is an ingenious plutonic rock comprising more than 90 weight percent plagioclase
Articles of Association	The Articles of Association of Nordic Mining ASA at the date of the Prospectus
Board	The Board of Directors of Nordic Mining ASA
Breccia	A fragmented rock with angular components
Business Day	A day (not being a Saturday) on which banks are open for business in Oslo
CESR	The Committee of European Securities Regulators
Company	Nordic Mining ASA
Code of practice	The Norwegian Code of Practice for Corporate Governance as of 21 October 2009
DuPont	E.I. du Pont de Nemours and Co. - major international life sciences and chemical company whose white pigment and mineral products business unit instigated exploration for a hard rock rutile source in the 1980s and culminating in the Engebøfjellet project in the 1990s
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
Eclogite	A metamorphic rock consisting of garnet, omphacite, pyroxene and rutile, formed by the high temperature and high pressure metamorphism of basic igneous rocks
Eligible Shareholders	Shareholders in Nordic Mining on the close of trading on Oslo Axess on 4 February 2010 (appearing in VPS on 9 February 2010) who were not offered to participate in the Private Placement
EM	Electro Magnetic
Exploration Right	Right to explore and, subject to approval from governmental authorities, test production as defined in the Norwegian Mineral Act of 2009
Gudvangen Stein	The Norwegian company Gudvangen Stein AS
Hydrothermal	The action of natural hot aqueous solutions
IFRS	International Financial Reporting Standards
IMC	International Mining Corporation
Keliber	The Finnish company Keliber Oy
Management	The management of Nordic Mining ASA

Manager	Carnegie ASA
Minera Mesaloma	The Ecuadorian company Minera Mesaloma SA, through which, on a nominee basis, Nordic Mining's potential operations in Equador can be carried out
New Shares	20,000,000 new shares in Nordic Mining issued in the Private Placement as described in Section 4
NGU	The Geological Survey of Norway
NOK	The currency in the Kingdom of Norway (Norwegian krone)
Nordic Mining	Nordic Mining ASA without subsidiaries
Nordic Mining Group or the Group	Nordic Mining and its subsidiaries
Offer Shares	The New Shares in Nordic Mining as described in Section 5
Ore reserve	A mineral deposit of proven economic value
Oslo Stock Exchange	Oslo Børs ASA
ppm	Parts per million
Private Placement	The private placement of 20,000,000 New Shares in the Company as described in Section 4
Production Right	Right to produce and mine within certain limits as defined in the Norwegian Mining Act of 2009. Such right may be applied for if the production of the mine is expected to be profitable
Prospectus	This Prospectus issued by the Company in relation to the listing of the New Shares and the Subsequent Offering, published and approved by and filed with Oslo Stock Exchange in accordance with the Prospectus Rules
Prospectus Rules	The Prospectus rules in the Securities Trading Act and the Securities Trading Regulation, which implements the Prospective Directive (EC/2003/71), including the Commission Regulation EC/809/2004, in Norwegian law
Public Limited Companies Act	The Norwegian Public Limited Companies Act of 13 June 1997 No. 45 (as amended)
Record Date	4 February 2010 (at the close of trading on Oslo Axess)
Quartz	Crystalline silica
REE	Rare Earth Elements
Rocksource	Rocksource ASA with subsidiaries
Rutile	Rutile is a mineral composed dominantly of titanium dioxide
Securities Trading Act	The Securities Trading Act of 29 June 2007 No. 75 (as amended)

Securities Trading Regulation	The Securities Trading Regulation of 29 June 2007 No. 876 (as amended)
Shares	All shares issued by the Company
Silica	Dioxide of silicon, SiO ₂ , an ingredient of many types of host rock
Stock Exchange Regulations	The Stock Exchange Regulations of 29 June 2007 No. 74 (as amended)
Subscription Rights	Non-tradable and not listed subscription rights issued to the Eligible Shareholders in connection with the Subsequent Offering. The Eligible Shareholders will receive 1 Subscription Right per 8.0035409 Shares owned in the Company as at the Record Date. One Subscription Right will grant the right to subscribe for one (1) Share
Subsequent Offering	The subsequent offering of up to 10,000,000 Offer Shares as described in Section 5
Subscription Period	The subscription period in which the investors must either submit the Subscription Form to the Manager or subscribe online in respect of the Subsequent Offering, being from and including 17:30 CET on 8 March 2010, to and including 17:30 CET on 22 March 2010
Sulphide mineral	A mineral containing unoxidized sulphur
VPS	The Norwegian Central Securities Depository (Verdipapirsentral)
VPS account	An account held with VPS to register ownership of securities

Appendix 1: Articles of Association for Nordic Mining ASA

ARTICLES OF ASSOCIATION

FOR

NORDIC MINING ASA

Updated per 1 March 2010

1. The name of the company is Nordic Mining ASA. The company is a public limited liability company.
2. The registered office of the company is in Oslo.
3. The object of the company is to carry on exploration for coal, minerals and ores, mining activity, technology development, activities that may be associated herewith, and participation in other companies anywhere in the world.
4. The share capital of the company amounts to NOK 11,547,009.10 divided on 115,470,091 shares of a nominal value of NOK 0.10. The shares of the company shall be registered in the Norwegian Registry of Securities.
5. The board of directors of the company shall have from 3 to 8 members according to the decision of the shareholders' meeting. Two board members jointly can sign on behalf of the company.
6. The company shall have an Election Committee consisting of three members who shall be elected by the general meeting. The members of the Election Committee shall, when they are elected, be shareholders or representatives of shareholders of the company. The Election Committee shall make recommendations to the general meeting concerning the election of members and deputy members to the Board of Directors. The Election Committee shall also make recommendations concerning remuneration to such members. Members of the Election Committee are elected for a period of two years. The members of the Board of Directors which have been elected by the general meeting make recommendations for and adopt instructions for the Election Committee.
7. The shareholders' meeting shall deal with:
 - i) Adoption of the annual accounts and annual report, including payment of dividends.
 - ii) Other matters that pursuant to law are the business of the shareholders' meeting.
8. If a document that relates to an issue that the General meeting shall decide on is made available to the company's shareholders on the company's website, then such a document does not have to be physically sent to the shareholders of the company. However, such a document shall be sent to the shareholder free of charge if shareholders request it.
9. Shareholders that plan to attend a General meeting have to give notice to the company within 5 days of the General meeting. Shareholders who have not given such notice within 5 days of the General meeting may be denied entrance to the General meeting.

Appendix 2: Subscription Form for the Subsequent Offering

<p>NORDIC MINING ASA</p> <p>SUBSEQUENT OFFERING MARCH 2010</p> <p>In order for investors to be certain to participate in the Subsequent Offering, Subscription Forms must be received no later than 22 March 2010 at 17.30 CET. The investor bears the risk of any delay in the postal communication, busy facsimiles and data problems preventing orders from being received by the Manager.</p>	<p>SUBSCRIPTION FORM</p> <p>Properly completed Subscription Forms must be submitted to the Manager as set out below:</p> <p>Carnegie ASA Stranden 1, Aker Brygge NO-0106 Oslo Tel: + 47 22 00 93 00 Fax: +47 22 00 99 60</p> <p>NORWEGIAN SUBSCRIBERS DOMICILED IN NORWAY CAN IN ADDITION SUBSCRIBE FOR SHARES AT WWW.CARNEGIE.NO</p>
---	---

General information: The terms and conditions for the Subsequent Offering in Nordic Mining ASA (the "Company") pursuant to resolution by the Company's Extraordinary General Meeting on 1 March 2010 (the "EGM") are set out in the prospectus dated 5 March 2010 (the "Prospectus"). Terms defined in the Prospectus shall have the same meaning in this Subscription Form. Notice of and minutes from the EGM (with enclosures), the Company's Articles of Association and annual accounts for the last three years, are available at the Company's registered office. In case of any discrepancies between the Subscription Form and the Prospectus, the Prospectus shall prevail.

Offer Shares and Subscription Rights: The Subsequent Offering comprises of 10,000,000 Subscription Rights, where each Subscription Right grants the right to subscribe for one (1) Offer Share. Over-subscription is allowed and no fractional Offer Shares will be issued. The Subscription Rights will not be tradeable and hence not listed.

Subscription Period: The subscription period is from and including 17:30 CET on 8 March 2010 to 17:30 CET on 22 March 2010 (the "Subscription Period"). Neither the Company nor the Manager may be held responsible for delays in the mail system or for Subscription Forms forwarded by facsimile that are not received in time by the Manager. It is not sufficient for the Subscription Form to be postmarked within the deadline. The Manager has discretion to refuse any improperly completed, delivered or executed Subscription Forms or any subscription which may be unlawful. Subscription Forms that are received too late or are incomplete or erroneous are therefore likely to be rejected without any notice to the subscriber. The subscription for Offer Shares is irrevocable and may not be withdrawn, cancelled or modified once it has been received by the Manager. Multiple subscriptions are allowed.

Subscription price: The subscription price for one (1) Offer Share is NOK 1.00 which equals the subscription price in the Private Placement.

Right to subscribe: The Subscription Rights will be issued to the Company's shareholders on the close of trading on Oslo Axxess on 4 February 2010 (appearing in VPS on 9 February 2010) who were not offered to participate in the Private Placement ("Eligible Shareholders"). Each Eligible Shareholder will receive one Subscription Right for every 8.0035409 Share owned as of the close of trading at 4 February 2010 ("Record Date"), Subscription Rights not used to subscribe for the Offer Shares (in full or partly) will lapse without any compensation upon expiry of the Subscription Period and consequently be of no value.

Allocation: The allocation criteria are set out in the Prospectus dated 5 March 2010. All Subscribers being allotted Offer Shares will receive a letter on or about 26 March 2010 from the Manager confirming the number of Offer Shares allotted to the Subscriber.

Payment: The payment for the Offer Shares falls due on 12.00 CET on 26 March 2010. The subscribers should be aware that the payment might be debited prior to receiving the allocation letter. By signing the Subscription Form, each Subscriber having a Norwegian bank account authorises the Manager to debit the bank account specified by the Subscriber below for payment of the allotted Offer Shares for transfer to the Manager. The Manager reserves the right to make up to three attempts to debit the Subscribers' accounts in the period up to 31 March 2010 if there are insufficient funds on the account on previous debit dates. Subscribers not having a Norwegian bank account or Subscribers subscribing for Offer Shares for more than NOK 5,000,000 must ensure that payment for their Offer Shares with cleared funds is made on or before 12:00 CET 26 March 2010 and should contact the Manager in this respect for further details and instructions.

DETAILS OF THE SUBSCRIPTION

Subscriber's VPS account	Number of Subscription Rights	Number of Offer Shares subscribed (incl. over-subscription):	(For broker: Consecutive no.)
	Σx	Subscription price per share NOK 1.00	Total Subscription amount to be paid NOK
<p>1 SUBSCRIPTION RIGHT GIVES THE RIGHT TO BE ALLOCATED 1 OFFER SHARE</p>			

SUBSCRIPTION RIGHT'S SECURITIES NUMBER: ISIN NO [•]

IRREVOCABLE AUTHORISATION TO DEBIT ACCOUNT (MUST BE COMPLETED)

My Norwegian bank account to be debited for the consideration for shares allotted (number of shares allotted x subscription price).

_____ (Norwegian bank account no. 11 digits)

In accordance with the terms and conditions set out in the Prospectus and this Subscription Form, I/we hereby irrevocably subscribe for the number of Offer Shares specified above and grant the Manager authorisation to debit (by direct or manual debiting as described above) the specified bank account for the payment of the Offer Shares allocated to me/us.

Place and date
Must be dated in the Subscription Period

Binding signature. The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney should be attached.

INFORMATION ON THE SUBSCRIBER

VPS account number		In the case of changes in registered information, the account operator must be contacted. Your account operator is:
Forename		
Surname/company		
Street address (for private: home address):		
Post code/district/ Country		
Personal ID number / Organisation number		
Norwegian Bank Account for dividends		
Nationality		
Daytime telephone number		
Date for debiting	If no date is indicated, the beneficiary can request debiting as soon as possible.	

Nordic Mining ASA
Munkedamsveien 45 A, Vika Atrium
NO – 0250 Oslo
NORWAY
Phone: +47 22 94 77 90
Fax: +47 22 94 77 91
www.nordicmining.com

Carnegie ASA
Stranden 1
P.O. Box 684 Sentrum
NO - 0106 Oslo
NORWAY
Phone: +47 22 00 93 00
Fax: +47 22 00 99 60
www.carnegie.no