

Nordic Mining ASA – preliminary report per 31 December 2007

Nordic Mining ASA

Nordic Mining ASA (“Nordic Mining” or “the Company”) is a mining company focusing on exploration and production of high-end industrial minerals and metals. The Company aims to exploit combinations of strategic mineral resources, dedicated exploration activities and front-end beneficiation technology in order to become a leading supplier of advanced feedstocks for special applications.

Nordic Mining operates an anorthosite mine in Gudvangen in Aurland, Norway through its subsidiary Gudvangen Stein AS (“Gudvangen Stein”). The Company is carrying out significant project development activities related to its resources of titanium feedstock (TiO₂) at Engebøfjellet in Norway. Geological surveys and evaluations are ongoing related to the Company’s pre-claims for i.a. tungsten, gold and thorium.

Nordic Mining will be developed with integrated activities within exploration, production and sales of high-end industrial minerals and metals. Business development with the purpose to expand operations and develop new activity has high management attention. Both structural and operational projects are evaluated in order to increase activity and develop a balanced project portfolio, aiming for early cash flow realisation.

In January 2008, Nordic Mining entered into an agreement with the purpose to acquire 68% in Keliber Oy (“Keliber”); a Finnish company with permits and concessions to start mining and production of lithium carbonate in Finland. The plan is to start production in 2010, and consequently Keliber will add positively in the short term perspective to Nordic Mining’s operational activity. Keliber also fits well in with Nordic Mining’s strategic focus on high-end industrial minerals and metals.

Nordic Mining’s project portfolio is of high international standard and has a significant economic potential. Based on the projected costs for pre-commercial activities, expansion of the operation in Gudvangen Stein and start-up of production in Keliber, Nordic Mining estimates that consolidated net profit will be achieved from 2011/2012.

As from 14 September 2007, Nordic Mining is listed on Oslo Axess with ticker code NOM.

Activities in Nordic Mining in the period ending 31 December 2007

Operations in Gudvangen Stein

Sales volume for the year ended at 233 000 tons which is slightly lower than 2006. The lower sales volume is explained by production problems caused by breakdown of main crusher and key equipment in the first part of the year, i.e. before Nordic Mining became owner in Gudvangen Stein. In 2007, products with lower price and margin contribute with a relatively larger share of the sales volume than previous years. As regards product development and marketing of anorthosite products for new applications with higher margin, Nordic Mining considers the years 2007 - 2009 as a transition period for Gudvangen Stein.

Nordic Mining emphasises high safety and environmental standards. In 2007, measures to improve safety and working environment at Gudvangen Stein have been executed.

Production volume and efficiency have improved after the new primary crusher was installed in July. For the seven month period Nordic Mining has been involved in Gudvangen Stein (June – December) operating loss was KNOK 481.

Effects of measures to optimize production and costs as well as increased focus on market and quality issues are expected from 2008. Prioritised activities are increase of sales volume in current market segments (i.a. insulation products, asphalt aggregates, decoration etc.) as well as development of new applications for anorthosite in order to improve capacity utilization and profitability. Possible new application areas are CO₂ absorption, water purification, sand blasting and slag catalyst. With its vast mineral base, Gudvangen Stein has a significant potential in “green-tech” application areas.

Nordic Mining is evaluating refinancing of Gudvangen Stein in order to prepare for planned business development and adjust to underlying asset base.

As per 31 December 2007, Gudvangen Stein has 9 employees.

Titanium feedstock (rutil) project at Engebøfjellet

At Engebøfjellet Nordic Mining has mineral rights for approximately 380 million tons of ore with an estimated TiO₂ content of 3.92%. The deposit is considered as a world-class resource, and Nordic Mining has started development activities on a broad scale with the aim to develop the resource as a titanium feedstock project.

The Company has comprehensive ongoing activities related to planning regulation and environmental impact assessment (EIA) in connection with preparations for industrial development of the rutile (TiO₂) deposit at Engebøfjellet. In November 2007, the planning program was approved by the municipalities in Naustdal and Askvoll. The planning program consists of 20 separate studies which have been initiated related to socio-economic and environmental issues in connection with the planned industrial development.

Nordic Mining has appointed NIVA (Norwegian institute for water research) to coordinate all aspects of the EIA. Asplan VIAK is engaged in connection with regulation issues. For the various EIA studies well-reputed, independent institutions have been contracted in order to have a best possible documentation of project consequences and impact.

Specific studies have been initiated related to disposal of tailings from mining operation in the adjacent Førdefjord. NIVA has put up advanced equipment for monitoring and analysis of flows and marine activity in the fjord. Also other aspects of marine life is studied, i.a. consequences for various fishes and seabed species.

The plan is to conclude documentation for planning regulation, including EIA by year-end 2008, and further to have regulatory matters related to development of the Engebøfjellet mining and process plant clarified by end of Q1 2009. Nordic Mining emphasizes an open and direct dialogue with the local community. Consequently, the Company arranges regularly information meetings in order to inform of project progress and to receive feedback from the community.

Mine planning and studies related to various ore dressing processes are ongoing. An expert team has been established with international and Norwegian participants to advice on beneficiation matters. Grinding tests will be executed in order to evaluate equipment, efficiency and quality issues.

Based on the comprehensive geological information Nordic Mining has taken over from the previous owner of the licences at Engebøfjellet, including descriptions of mineralogy and geology and block modeling data, assessment of the deposit in compliance with the JORC code will be executed.

Nordic Mining is continuously, although in an initial phase, evaluating potential markets for TiO₂ from Engebøfjellet and possible international alliances related to marketing and project execution. TiO₂ is used both for production of pigment products and as raw material for titanium metal production. Nordic Mining evaluates both routes, and combinations, for the TiO₂ from Engebøfjellet.

Exploration activity for gold and tungsten

Nordic Mining is reviewing geological information related to the Los Santos licences for gold in Ecuador. Digitalisation of information has been done and geological and geo-chemical maps of the licence area have been produced. Evaluation of data is ongoing and interesting geological anomalies have been identified. The analysis of 542 soil samples implies three significant gold-copper anomalies in the northernmost part of the Los Santos claim and one copper-gold anomaly to the South East. Coming analysis and digitalization of whole rock samples and ground based geophysical sampling may further substantiate the results during Q1/Q2 2008. This will also include structured information from surrounding areas. Nordic Mining will at a later stage decide whether to continue on the licences on its own or to initiate a partnership or other structural arrangement for development.

Nordic Mining has eight pre-claims for gold at Røysivangen in Eidsvoll municipality in Norway. Preparations for geological field work including an initial core drilling program started in 2007, and on-site activities are executed during February/March 2008. The pre-claims area is in a district where commercial gold production previously has been executed. Three exploratory diamond drill cores will decide if a geophysical anomaly at depth is associated with Au-mineralizations, and hence if follow up surveys along the northward extension of the anomaly are feasible.

Geological surveying and evaluation are ongoing related to the Company's pre-claims in Målvika (tungsten), Laksådalen (tungsten/molybdenum) and Stjernøya (thorium). NGU (Norway's geological surveys) has done surface sampling and various geological analysis. Laboratory analysis have been done in Canada. Reporting from the laboratory has been delayed due to large amount of work at the contracted laboratory. NGU is now in the final stage of compiling reports from the 2007 field season. Nordic Mining will evaluate the reports and make plans for the 2008 season based on reported information and interpretations as well as guidelines from the Company's geological advisors.

Personell

As per 31 December Nordic Mining Group has 12 employees; 9 in Gudvangen Stein and 3 in Nordic Mining.

Mona Schanche has been employed as geologist in Nordic Mining. Ms Schanche will take up the position around 1 June 2008. Activities with the purpose to strengthen the technical part of the management team is ongoing.

Comments to the preliminary accounts for the period ended 31 December 2007

After the acquisition of majority shareholding in Gudvangen Stein effective 1 June 2007, Nordic Mining has ordinary sales income from mining operation. Consolidated sales income in the 4th quarter and accumulated per 31 December 2007 was KNOK 5 311 (2006: 0) and KNOK 12 105 (2006: 0), respectively. Sales income in the 4th quarter was lower than the previous period due to lower sales volume following from seasonal variance and higher share of low-priced products.

Operating loss in the 4th quarter was KNOK 5 478 (2006: KNOK 6 164). Planning and development activities related to the Engebøfjellet TiO₂ project as well as exploration activities and evaluation of new projects, i.a. the Keliber project in Finland which was agreed in January 2008, have been the main activities in the fourth quarter.

For the period ended 31 December 2007 the accumulated operating loss for the Group was KNOK 30 285 (2006: KNOK 5 896). Gudvangen Stein is included 7 months from June with a total operating loss, excluding effects of business combination adjustments, of KNOK 481. The Group's 2006 result was positively affected from compensation of KNOK 7 500 from the main shareholders of Gexco AB.

Other operating expenses in the 4th quarter amount to KNOK 6 355 (2006: KNOK 3 575). Costs related to the titanium feedstock project at Engebøfjellet amount to KNOK 1 396.

Accumulated as per 31 December 2007 other operating expenses amount to KNOK 17 745 (2006: KNOK 7 386). The main activities and costs in 2007 are related to:

Other operating costs Gudvangen Stein	KNOK 5 976
Engebøfjellet TiO ₂ project	KNOK 3 532
Listing on Oslo Axess	KNOK 3 446
Business development (incl. Keliber and other project evaluations)	KNOK 1 458
Exploration activities (Norway, Ecuador)	KNOK 1 371
Various costs	<u>KNOK 1 962</u>
Total "Other operating expenses"	<u>KNOK 17 745</u>

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 is employed directly with the Company. A business service agreement was established with Dag Dvergsten AS effective 1 July related to offices, administrative services and certain strategic advice. The fee to Dag Dvergsten AS for the 4th quarter was KNOK 826.

Net loss in the 4th quarter was KNOK 5 747 (2006: KNOK 6 164). Finance costs of KNOK 807 are mainly related to loans in Gudvangen Stein.

Accumulated net loss for the Group for the period ended 31 December 2007 was KNOK 33 482 (2006: KNOK 5 820). Net finance costs for the year were KNOK 8 271 including loss on settlement of bond loan with KNOK 7 270 in connection with contemplated acquisition of Rana Gruber AS in the beginning of the year. An income tax benefit of KNOK 5 074 was recognized in the 2nd quarter as a result of the business combination related to the acquisition of Gudvangen Stein.

CONDENSED CONSOLIDATED INCOME STATEMENTS
for the period ended 31 December 2007

2007 01.10-31.12 Unaudited	2006 01.10-31.12 Unaudited		Note	2007 01.01-31.12 Unaudited	2006 08.05-31.12 Audited
		<i>(Amounts in NOK thousands)</i>			
5 311	-	Sales		12 105	-
207	-	Other income		466	7 500
(789)	-	Cost of sales		(3 477)	-
(1 872)	-	Payroll and related costs		(5 375)	-
(659)	(2 092)	Management fee/Business service fee	8	(10 715)	(5 165)
-	(492)	Share-based payment	2	(2 956)	(844)
(1 322)	-	DD&A		(2 588)	-
(6 355)	(3 575)	Other operating expenses		(17 745)	(7 386)
(5 478)	(6 159)	Operating profit/(loss)		(30 285)	(5 896)
538	225	Financial income		1 448	225
(807)	(230)	Financial costs		(2 449)	(149)
-	-	Loss on settlement of debt	7	(7 270)	-
(5 747)	(6 164)	Profit/(loss) before tax		(38 556)	(5 820)
-	-	Income Tax	3	5 074	-
(5 747)	(6 164)	Net loss		(33 482)	(5 820)
(5 747)	(6 164)	Profit/(loss) attributable to equity holders of parent		(33 482)	(5 820)
(0.11)	(0.43)	Basic and diluted earnings per share	4	(0.75)	(0.37)
53 479 975	14 359 070	Weighted average number of shares outstanding		44 718 150	15 807 043

CONDENSED CONSOLIDATED BALANCE SHEET
for the period ended 31 December 2007

<i>(Amount in NOK thousands)</i>	Note	2007 31 December Unaudited	2006 31 December Audited
ASSETS			
Non-current assets			
Licences	5	3 196	-
Mineral Properties	6	26 617	-
Property, plant and buildings	6	21 005	-
Financial assets		85	-
Total non-current assets		50 902	-
Current Assets			
Inventory		1 291	-
Other receivables and prepayments		3 580	2 280
Restricted cash		-	91 224
Cash and cash equivalents		23 692	10 275
Total current assets		28 563	103 779
Total assets		79 465	103 779
SHAREHOLDERS' EQUITY & LIABILITIES			
Shareholders' equity			
Share capital		5 348	2 872
Share premium		75 881	21 251
Other paid-in capital		4 031	844
Retained losses		(39 302)	(5 820)
Total equity		45 958	19 147
Non-current liabilities			
Interestbearing loan	6	6 290	-
Deferred tax		-	-
Lease obligations	6	9 559	-
Other liabilities		7 432	-
Total non-current liabilities		23 281	-
Current liabilities			
Current portion of long-term debt		2 502	-
Bond loan		-	80 234
Bank overdraft		2 995	-
Trade Payable		3 025	3 148
Other current liabilities		1 705	1 249
Total current liabilities		10 227	84 632
Total liabilities		33 507	84 632
Total shareholders' equity and liabilities		79 465	103 779

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 31 December 2007 (Unaudited)

<i>(In KNOK, except for number of shares)</i>	Number of shares	Share capital	Share premium	Other-paid-in capital	Accumul. losses	Total equity
Incorporation 8 May 2006	14 359 070	1 436	8 564	-	-	10 000
Share based compensation				844		844
Share issuance	14 359 070	1 436	12 687			14 123
Loss for the period					(5 820)	(5 820)
At 31 December 2006	28 718 140	2 872	21 251	844	(5 820)	19 147
Share based compensation				2 957		2 957
Options issued in business combination				230		230
Share issuance	24 761 835	2 476	54 630			57 106
Loss for the period					(33 482)	(33 482)
At 31 December 2007	53 479 975	5 348	75 881	4 031	(39 302)	45 958

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the period ended 31 December 2007

	2007	2006
<i>(Amounts in NOK thousands)</i>	01.01-31.12	08.05-31.12
	Unaudited	Audited
Net cash used in operating activities	(24 181)	(2 897)
Acquisition of mineral license	(3 196)	-
Purchases of property, plant, & equipment	(1 210)	
Transfer from restricted cash	2 541	(10 000)
Business acquisition	(15 411)	
Net cash used in investing activities	(17 276)	(10 000)
Cash contributed at demerger	-	10 000
Issuance of share capital	57 106	14 123
Payment of principal on finance leases	(1 514)	-
Payment of loan	(920)	-
Use of bank overdrafts	201	
Bond loan	-	(950)
Net cash from financing activities	54 873	23 173
Net change in cash and cash equivalents	13 416	10 275
Cash and cash equivalents at beginning of period	10 275	-
Cash and cash equivalents at end of period	23 692	10 275

NOTES TO THE CONDENSED PRELIMINARY FINANCIAL STATEMENTS for the period ending 31 December 2007

1. ACCOUNTING PRINCIPLES

The preliminary announcement for the full year ended 31 December 2007 are based on International Accounting Standards and International Financial Reporting Standards (collectively "IFRS") as adopted by the European Union (EU) and as issued by the International Accounting Standards Board.

These preliminary financial statements were approved by the Board of Directors 27 February 2008.

The accounting policies adopted are consistent with those followed in the preparation of the Company's and the Group's annual financial statements of the year ended 31 December 2006.

Nordic Mining ASA was incorporated on 8 May 2006. The comparative income statement and cash flow statement for 2006 are presented for the period from 8 May to 31 December and as such are not directly comparable with the full period presented in 2007.

2. SHARE-BASED PAYMENT

In May 2007, the General Assembly of the Company authorized the Board of Directors to issue up to 1.5 million new options. The options are granted at the market price at the grant date plus 5%. The options vest immediately and expire in June 2008.

	2007	
	Number of options	Weighted average exercise price (in NOK)
Outstanding on 1 January	4 000 000	2.625 ⁽¹⁾
Granted during the year	610 000	3.15
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31 December	4 610 000	2.69 ⁽¹⁾
Exercisable at 31 December	4 610 000	2.69 ⁽¹⁾

(1) The exercise price for options outstanding at 31 December 2006 has been reduced from NOK 6.97 to NOK 2.625 in March 2007 as described below.

Additionally, the Company has granted 300 000 options to key persons in Gudvangen Stein AS as described in Note 6.

Modification

The general assembly of Nordic Mining ASA resolved on 15 March 2007 to change the exercise price of 4 million previously issued options from NOK 6.97 per share to the same level as in a forthcoming capital increase with addition of 5%. On 30 March 2007 Nordic Mining ASA informed of completion of a private placement of 10.9 million new shares to selected private and institutional investors at a subscription price of NOK 2.50 per share. As a consequence of this, the new exercise price for the options is NOK 2.625 per share. The Group has accounted for the reduction in exercise price as a modification of an equity-

settled share based plan. The increase in fair value resulting from the modification as measured on the modification date was recognized as an expense in the 1st quarter 2007 since the options were fully vested at the grant date in 2006. The total amount recognized in the income statement related to the modification in March 2007 was NOK 2.5 million.

3. TAX

As Nordic Mining ASA has a history of tax losses and has been unable to prove the probability of sufficient future profit for tax purposes, the Group has not previously recognized deferred tax assets related to its tax losses. A net deferred tax liability arose when making the purchase price allocation related to the acquisition of Gudvangen Stein AS (see Note 6 "Business Combination"). As a result of the acquisition, Nordic Mining has recognized a deferred tax asset to offset the net deferred tax arising as a result of the business combination.

Since the recognition of deferred income tax relates to the acquiring entity in a business combination, the recognized deferred tax asset was not included in the purchase allocation in the business combination, but was recognized in the income statement for the period. An income tax benefit of NOK 5.07 million was recognized in the 2nd quarter of 2007.

4. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

<i>(Amounts in KNOK and number of shares in thousands)</i>	2007	2007	2006
	01.10-31.12	01.01-31.12	08.05-31.12
Loss for period for the purposes of basic and diluted earnings per share	(5 747)	(33 482)	(5 820)
Weighted average number of ordinary shares outstanding	53 480	41 718	15 807

The Company has not included options in the calculation of diluted earnings per share since the options are anti-dilutive for the periods presented.

5. INTANGIBLE ASSETS

In January 2007, Nordic Mining ASA completed its purchase of the mineral rights at Engebøfjellet from ConocoPhillips Investments Norge AS for NOK 3.2 million based on approval for the transaction from the Norwegian Ministry of Industry and Trade. The mineral deposit contains rutile (TiO₂) which is an important raw material for production of titanium metal and pigments used in e.g. production of paintings, plastics and paper.

6. BUSINESS COMBINATION

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognized at their fair values at the acquisition date, except

for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

On 31 May 2007, Nordic Mining ASA acquired 85% of the issued share capital of Gudvangen Stein AS (in the table below "GS AS"). Additionally, Nordic Mining ASA has a call option and the seller has a put option on the remaining 15% of the shares. The put/call option was accounted for as a repurchase of the minority interest at the date of acquisition and was included in the total consideration at the present value of the liability under the put option. Nordic Mining ASA also granted 300 000 options in connection with the transaction. Total consideration, including transaction costs, for Gudvangen Stein AS was NOK 22.7 million.

<i>(amounts in NOK thousands)</i>	GS AS carrying amount before acquisition⁽¹⁾	Fair value adjustments	Fair value
Net assets acquired:			
Mineral properties	-	27 043	27 043
Property, plant and equipment	19 576	-	19 576
Other receivables and prepayments	1 771	-	1 771
Investment in shares	85	-	85
Inventory	1 066	1 109	2 175
Cash and cash equivalents	77	-	77
Interest bearing debt	(7 260)	-	(7 260)
Deferred tax liabilities	-	(5 074)	(5 074)
Lease obligation	(11 145)	-	(11 145)
Trade and other payables	(1 750)	-	(1 750)
Bank overdraft	(2 794)	-	(2 794)
Total	(374)	23 078	22 704

Total consideration includes:

Cash consideration	15 000
Directly attributable transaction costs	489
Consideration satisfied with issuance of options	230 ⁽²⁾
Fair value of contingent consideration	4 793
Present value of liability under written put option	2 192

(1) Includes effect of IFRS implementation adjustments.

(2) The options were valued using the Black Scholes model.

The net loss included in the consolidated financial statements arising from Gudvangen Stein AS from the acquisition date was KNOK 341.

If the acquisition had been completed on 1 January 2007, total Group revenue for the period would have been NOK 17.4 million, and net loss for the period would have been NOK 36.4 million.

7. BOND LOAN

In December 2006, Nordic Mining ASA obtained a contingent bond loan for a principal amount of NOK 85 million in order to finance its planned acquisition of Rana Gruber AS. Under the agreement with the bond holders, Nordic Mining ASA repaid the bond loan as the acquisition of Rana Gruber AS was not completed. The proceeds less the underwriter fee of NOK 81.2 million were deposited on a restricted bank account pending the outcome of the planned business acquisition. Nordic Mining ASA transferred an additional NOK 10 million to the restricted bank account in December 2006, resulting in a total balance of NOK 91.2 million at 31 December 2006.

The planned acquisition of Rana Gruber AS was not completed since the shareholders in Rana Gruber AS did not approve the changes in the bylaws and shareholders' agreement as required by Nordic Mining ASA's purchase offer. The offer was terminated in January 2007, and consequently, the bond loan was repaid in February 2007.

Under the agreement with the bond holders, Nordic Mining ASA has repurchased the bonds at 105% of the principal amount of NOK 85 million. In total, the Company transferred NOK 88.7 million from the restricted account to the bond holders; the carrying amount of the loan was NOK 80.3 million while total accrued interest was NOK 1.1 million at the settlement date. Loss on settlement of the debt was NOK 7.3 million.

8. RELATED PARTIES

Until 1 July 2007, Nordic Mining ASA has had a management agreement with Dag Dvergsten AS. Dag Dvergsten AS is one of the main shareholders in Nordic Mining, and Dag Dvergsten is board member of Nordic Mining ASA. In the period ended 31 December 2007 Nordic Mining ASA has incurred fee to Dag Dvergsten AS of KNOK 10 715. In addition, KNOK 1 543 is related to the effect of modifications of options in March 2007 as described in Note 2. The fee covers management services and daily operation of Nordic Mining ASA including management team for first half of the year and business administrative services and office rent for second half of the year.

The management agreement was terminated with effect from 1 July, and an agreed termination fee of NOK 2.5 million (incl VAT) is included in the management fee for the period ended 30 June 2007.

As a consequence of the terminated management agreement, and also with effect from 1 July 2007, the management team of Nordic Mining ASA is employed directly with the Company. Nordic Mining ASA has entered into a business service agreement with Dag Dvergsten AS for services related to offices, administrative services and certain strategic advising.

Nordic Mining ASA has a consultancy agreement with board member Per Havdal. The agreement with Havdal is limited in scope (services for a maximum fee of around KNOK 140) and duration (one year). The agreement with Havdal will be re-newed for 2008 based on the same terms and conditions as for the 2007 agreement.

9. OTHER MATTERS AND SUBSEQUENT EVENTS

Brian J. Ballou was employed in Nordic Mining ASA as Vice president Exploration and Development. The Company has with effect from the date of Ballou's employment in August granted him 275 000 options. Exercise price for Ballou's options was NOK 3.15. On 10 September, Brian J. Ballou, died in an accident in connection with exploration activity

for Nordic Mining ASA. The options, now held by surviving relatives, vest as per employment date and expire in June 2008.

Nordic Mining ASA was listed on Oslo Axess on 14 September 2007. The Company's ticker code is NOM. Nordic Mining ASA has in February 2008 entered into a Market Making Agreement with Orion Securities ASA for the Company's shares. The purpose of the agreement is to increase the liquidity of the shares of the Company.

The Ministry for Industry and Trade has extended Nordic Mining ASA's mineral claims ("utmål") at Engebøfjellet for a 10 year period till October 2017.

As a consequence of the acquisition of 85% of the shares in Gudvangen Stein AS, the tax authorities has in the beginning of 2008 approved Nordic Mining ASA with subsidiaries as a VAT-group, effective from 1 September 2007. The Company's application for VAT refund from 8 May 2006 till 1 September 2007 is being considered by the tax authorities.

In January 2008, Nordic Mining entered into an agreement with the purpose to acquire 68% in Keliber Oy; a Finnish company with permits and concessions to start mining and production of lithium carbonate in Finland. The plan is to start production in 2010. The agreement is conditioned upon due diligence of Keliber Oy and verification of the plans for mining and mineral processing.

Consideration for the shares in Keliber Oy is EUR 4 million of which EUR 2.4 million is cash payment. The remaining consideration will be 5 104 000 shares in Nordic Mining ASA at a subscription price of NOK 2.50 per share. The consideration shares will be distributed among the eight selling shareholders of Keliber Oy. The consideration shares and 34% of the cash amount will be paid on closing of the transaction. The remaining cash amount is due for payment later, partly conditioned on the development of the lithium carbonate project. The intention is to conclude the transaction by mid-May 2008, at the latest, after completion of due diligence and project verification.

Mona Schanche has been employed as geologist in Nordic Mining. Ms Schanche will take up the position around 1 June 2008.

Oslo, 27th of February 2008

Board of Directors
Nordic Mining ASA