



**NORDIC  
MINING**



## **Nordic Mining ASA**

*Nordic Mining ASA (“Nordic Mining” or “the Company”) is a mineral company with operating activity and focus on high-end industrial minerals and metals in Norway and internationally. The Company’s project portfolio is of high international standard and holds a significant economic potential. Nordic Mining has rights to advanced EM-applications (electro magnetic technology) for mineral and metals exploration onshore and offshore. The Company’s assets are mainly in the Nordic region.*

*The Company has production of anorthosite products through its subsidiary Gudvangen Stein AS (“Gudvangen Stein”). Further, Nordic Mining is undertaking large-scale project development at Engebøfjellet in Sogn and Fjordane where the Company has rights to a substantial eclogite deposit with rutile and garnet. Through its subsidiary Keliber Oy (“Keliber”) in Finland, Nordic Mining plans to start mining of lithium bearing spodumene and production of lithium carbonate.*

*Nordic Mining is listed on Oslo Axess.*

## **Milestones**

- ***Strategically important cooperation agreement with Cristal Global, Inc. for rutile production and product development for the Engebø project***

The cooperation agreement verifies the attractiveness and potential for the Engebø project in an international industrial context. Earlier this year Nordic Mining has entered into a similar agreement for garnet as an important by-product for the Engebø project. The garnet agreement is with a reputable international industrial minerals company.

- ***Tailings from Engebø approved as capping material for contaminated sediments***

The approval is according to guidelines from the Norwegian Climate and Pollution Agency. In Norway and in other European countries, significant environmental challenges have been identified in various harbour areas. Capping with suitable minerals represents a significant market potential. Capping with tailings from Engebø can possibly be a positive environmental solution for parts of the identified problem areas.

- ***Very promising results from drilling in Finland***

In October and early November, a very promising pegmatite vein has been identified as a result of Keliber’s ongoing drilling program in prioritised areas in the Ostrobothnia lithium province. The drilling program is in an early phase and additional drilling will be done in the area where the pegmatite vein has been detected. Results from analysis of drill core samples are expected to be available late November.

## **Interim report per 30. September 2010**

### **Financial performance**

*Unless specifically noted, all figures below relate to the consolidated accounts. For comparison, numbers in brackets relate to the same period 2009.*

Nordic Mining's operational activity relates to Gudvangen Stein. Sales revenue in the third quarter 2010 was NOK 5.5 million (NOK 7.5 million). Sales volume in the third quarter was approximately 50,000 tons (approximately 60,000 tons). Accumulated sales revenue per 30 September was NOK 14.6 million (NOK 15.0 million) based on a sales volume of 133,000 tons (132,000 tons).

The operating loss in the third quarter was NOK -5.5 million (NOK -6.8 million). Accumulated operating loss per 30 September was NOK -19.9 million (NOK -20.1 million). The operating loss for the quarter and per 30 September are mainly related to costs in connection with development of the rutile project at Engebøfjellet, the lithium project in Keliber, and a depressed market situation for Gudvangen Stein.

Net loss in the third quarter was NOK -6.0 million (NOK -7.5 million). Accumulated net loss per 30 September was NOK -21.4 million (NOK -20.1 million). Included in the accumulated result is net financial costs of NOK -1.5 million (NOK 0.1 million).

Cash flow from operating activities was negative in the third quarter and per 30 September with NOK -4.8 million (NOK -5.0 million) and NOK -17.8 million (NOK -20.2 million), respectively. In the first half year, Nordic Mining has completed equity issues with total gross proceeds of NOK 30.0 million; ref. note 3. As per 30 September 2010, the Group's cash and cash equivalents amounted to NOK 14.8 million (NOK 12.1 million).

Nordic Mining's balance sheet as of 30 September 2010 was NOK 99.1 million (NOK 104.3 million). As per 30 September 2010, total equity amounted to NOK 50.7 million (NOK 53.1 million). This gives an equity ratio for the Group of 51%.

### **Main activities in the third quarter and in the period ending 30 September 2010**

#### ***Engebøfjellet rutile (TiO<sub>2</sub>) deposit***

Nordic Mining intends to establish industrial operation for production of rutile concentrate (TiO<sub>2</sub>) based on its rutile deposit at Engebøfjellet. Rutile is an important raw material for production of titanium metal and pigments used in i.a. production of paintings, plastics and paper. The mineral deposit at Engebøfjellet also contains significant volumes of garnet, and Nordic Mining plans to produce high quality garnet as a by-product. Garnet has various industrial applications, i.a. as abrasive material for sand blasting, water-jet cutting etc..

#### **Commercial status**

Nordic Mining evaluates potential markets for TiO<sub>2</sub> and garnet as well as international contacts and possible alliance parties related to the project. In an international context, the Engebø project represents a significant and long-term resource potential with attractive strategic location in Europe. The Company's industrial contacts confirm the project's market potential, and Nordic Mining perceives good international interest and attention for the project.

Early October 2010, Nordic Mining signed a strategically important agreement ("Memorandum of Understanding") with the leading international pigment producer CRISTAL GLOBAL, Inc. ("CRISTAL"). CRISTAL is the world's second-largest producer of titanium dioxide and a leading producer of titanium chemicals. The purpose of the agreement is to develop and optimize the production process for rutile resources at Engebø in order to meet the feedstock quality requirements of CRISTAL. Nordic Mining and CRISTAL will cooperate on processing tests and quality requirements relevant for titanium dioxide pigments. Subject to a successful development of the Engebø project and establishment of production processes that meet the requirements of CRISTAL, the parties intend to negotiate the terms and conditions for a long-term supply and off-take agreement for rutile.

In February 2010, Nordic Mining has 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.

#### Applications for rest minerals (tailings)

Nordic Mining evaluates several possibilities and applications for rest materials from the production process at Engebø. In October 2010, the tailings have been approved as capping material for contaminated sediments, for instance in harbor areas or similar. Both in a Norwegian and a European perspective, this can possibly represent a significant market potential for the rest minerals from Engebø.

Also other application areas are considered; i.a. concrete aggregates, soil conditioner and as raw material for various construction purposes. Nordic Mining has signed an agreement with a global energy services company with purpose to develop suitable eclogite mineral products for use in specialty concrete applications. Further, the Company in January 2010 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 the future, parts of the rest material may represent a positive additional value for the project, financially and with regard to new industrial activity. In addition, waste disposal from the project can be reduced.

#### Development plan and permit for waste disposa

Nordic Mining has completed its proposal for development plan with environmental impact assessment for the contemplated industrial activity at Engebø. Two rounds of public hearing of the proposal are concluded; the last round closed in September. A political assessment of the plan is ongoing in Naustdal and Askvoll municipalities. The political county committee in Sogn og Fjordane has submitted a positive and supportive statement in favour of the Engebø project. The Norwegian Directorate for Fisheries has presented an objection in the matter in the last round of hearing. The objection implies certain formal procedures, i.a. clarification meetings, possibly with involvement from the county governor of Sogn og Fjordane. The objection will to some extent delay the political decision process compared with previous time schedule from the municipalities.

Naustdal municipality and Nordic Mining have initiated negotiations related to possible contribution from the Company in connection with technical infrastructure, i.a. the public road Fv 611.

The Directorate for Cultural Heritage has resolved that the area plan for the Engebø project can be approved as regards cultural heritage aspects, subject to archeological investigations prior to start-up of the industrial project activity. Scope and demarcation of sites for investigation will be clarified when the area plan is approved.

Public hearing of Nordic Mining's application for waste disposal is concluded. The responsibility for handling the waste application has been transferred from the county governor in Sogn and Fjordane to the Norwegian Climate and Pollution Agency (Klif). Klif's clarification is expected subsequent approval of the area plan.

Klif has established an expert committee for evaluation of environmental aspects of handling/deposit for tailings from mining operations. The committee has recently submitted its report. The report does not specifically evaluate the Engebø project. The experiences and practices which are described in the report are, however, to a large extent in line with Nordic Mining's assessment and proposal for waste disposal.

### Mineral processing

Evaluation and tests continue related to mineral resource prospecting and methods for ore dressing and beneficiation for production of rutile and garnet. Nordic Mining has assigned the Finnish company Outotec Oyj ("Outotec") as consultant for mineral processing. Outotec is a leading international supplier of technical services and equipment for mining and mineral processing, and with significant competence in rutile processing. Main focus in ongoing activities is optimisation of rutile recovery and preparation of pilot production. Nordic Mining will also evaluate other possibilities for mineral separation in order to increase recovery from production.

### **Gudvangen Stein**

#### Current market segments

Also in the third quarter the market for anorthosite products have been affected from the general reduction in European construction activity. As from September, however, an improvement has been observed with regard to orders and shipments. This may indicate that construction activity in Europe is about to turn positive. Gudvangen Stein has intensified marketing efforts and is experiencing a growing interest for anorthosite in new applications.

#### New applications and product development

Discussions are ongoing with the Norwegian Institute for Energy Technology (IFE) regarding continuation of development activity related to use of CO<sub>2</sub> in mineral processing.

In addition to processing of anorthosite with use of CO<sub>2</sub>, Gudvangen Stein is developing anorthosite concentrates as feedstock for various industrial applications; i.a. ceramics, glass products and as filler in various industries. The results so far are positive, and Gudvangen Stein has earlier this year entered into a development cooperation agreement with a leading producer of advanced mineral products. The purpose is to investigate the possibility to process and utilize concentrates from Gudvangen Stein anorthosite as raw material for production of advanced mineral products. Production of anorthosite concentrates is ongoing in a third party production facility. Industrial testing; in the first round with a 200 tons volume, will commence in November. The parties intend to negotiate a long term

supply/off-take agreement. Gudvangen Stein has the intention to establish a new production plant which can produce the quantity and quality of anorthosite concentrate applicable under supply/off-take agreements. Dialogue has been opened also with other interested parties for similar test programs.

### ***Keliber***

Through its subsidiary Keliber in Finland, Nordic Mining will start mining and production of high-purity lithium carbonate. Lithium carbonate has a variety of industrial applications, i.a. for batteries which takes up an increasing share of the total global consumption.

#### *Very promising results from ongoing drilling program*

In the third quarter 2010, Keliber has started a drilling program as a continuation of the exploration activity executed earlier this year. The purpose is to identify additional mineable mineral resources adjacent to Keliber's other activity. Preliminary results from the drilling program are positive. Results from core drilling in October/November have identified a very promising pegmatite of interesting size and thickness. The possibility to increase the resource base for Keliber's lithium production is considered to be good.

#### *Positive market development*

The demand for lithium carbonate and prices for derived products have increased over the last years. This trend is expected to continue, mainly driven by strong growth in the battery sector as a consequence of increased sales of electrified and hybrid cars, portable tools and batteries for other industrial applications. Lithium, in combination with other minerals/materials, brings unique properties to modern batteries. Extensive international product development is ongoing related to battery technology.

#### *Development activities in Finland*

Nordic Mining participates together with other industrial companies and university institutes in Finland in development projects related to production of battery chemicals based on Keliber's planned lithium production. There are considerable interest and activity in Finland in connection with development of industrial activity related to lithium batteries, including i.a. battery materials, battery production, control systems and production of electric and hybrid cars.

#### *Organisation*

In the first half of the year, the board of Keliber has been strengthened with two new board members; Mr. Markku Isohanni and Mr. Lauri Siirama. The new board members have extensive experience from Nordic and international mineral and mining industry. Keliber's organization and commercial focus will be strengthened.

Oslo, 4 November 2010  
The Board of Directors of Nordic Mining ASA

## CONDENSED CONSOLIDATED INCOME STATEMENTS

	2010	2009	2010	2009	2009
	01.07-30.09	01.07-30.09	01.01-30.09	01.01-30.09	01.01-31.12
<i>(Amounts in NOK thousands)</i>	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Sales	5 515	7 459	14 557	14 992	20 269
Other income	13	-	13	(65)	35
Cost of sales	(2 487)	(2 917)	(5 058)	(4 624)	(6 412)
Payroll and related costs	(2 923)	(3 420)	(10 786)	(10 036)	(12 738)
Office costs and business service fee	(670)	(1 116)	(2 010)	(2 226)	(2 896)
DD&A	(744)	(703)	(2 063)	(2 116)	(2 899)
Impairment assets	-	-	-	-	(2 100)
Other operating expenses	(4 169)	(6 055)	(14 546)	(16 065)	(20 668)
<b>Operating profit/(loss)</b>	<b>(5 465)</b>	<b>(6 752)</b>	<b>(19 893)</b>	<b>(20 140)</b>	<b>(27 409)</b>
Financial income	114	22	320	2 383	2 183
Financial costs	(612)	(793)	(1 801)	(2 314)	(2 898)
<b>Profit/(loss) before tax</b>	<b>(5 962)</b>	<b>(7 523)</b>	<b>(21 373)</b>	<b>(20 071)</b>	<b>(28 124)</b>
Income Tax	-	-	-	-	1 066
<b>Net profit/(loss)</b>	<b>(5 962)</b>	<b>(7 523)</b>	<b>(21 373)</b>	<b>(20 071)</b>	<b>(27 058)</b>
<b>Profit/(loss) attributable to</b>					
Equity holders of parent	(5 650)	(7 374)	(20 743)	(19 724)	(26 645)
Minority	(313)	(149)	(631)	(347)	(414)
<b>Earnings per share attributable to ordinary shareholders</b>					
<i>(Amounts in NOK)</i>					
Basic and diluted earnings per share	(0.05)	(0.08)	(0.17)	(0.21)	(0.28)

## STATEMENTS OF COMPREHENSIVE INCOME

	2010 01.07-30.09 Unaudited	2009 01.07-30.09 Unaudited	2010 01.01-30.09 Unaudited	2009 01.01-30.09 Unaudited	2009 01.01-31.12 Audited
<i>(Amounts in NOK thousands)</i>					
<b>Net profit/(loss) for the period</b>	<b>(5 962)</b>	(7 523)	<b>(21 373)</b>	(20 071)	(27 058)
<b>Other comprehensive income:</b>					
Currency translation differences	(21)	(2 082)	<b>(1 137)</b>	(5 335)	(5 883)
<b>Other comprehensive income directly against equity</b>	<b>(21)</b>	(2 082)	<b>(1 137)</b>	(5 335)	(5 883)
<b>Total comprehensive income for the period</b>	<b>(5 983)</b>	(9 605)	<b>(22 510)</b>	(25 406)	(32 941)
<b>Profit/(loss) attributable to</b>					
Equity holders of parent	<b>(5 666)</b>	(8 857)	<b>(21 513)</b>	(24 270)	(30 836)
Minority	<b>(317)</b>	(748)	<b>(997)</b>	(1 136)	(2 105)

**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**As per 30 September 2010 and 31 December 2009**

	<i>2010</i>	<i>2009</i>
	<i>30 September</i>	<i>31 December</i>
<i>(Amounts in NOK thousands)</i>	<i>Unaudited</i>	<i>Audited</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	7 405	7 727
Licences	3 745	3 596
Minerals, property, plant and equipment	66 925	69 277
Shares	-	85
<b>Total non-current assets</b>	<b>78 075</b>	<b>80 685</b>
<b>Current Assets</b>		
Inventory	1 916	1 945
Trade and other receivables	4 261	6 710
Cash and cash equivalents	14 818	7 782
<b>Total current assets</b>	<b>20 995</b>	<b>16 437</b>
<b>Total assets</b>	<b>99 070</b>	<b>97 122</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital	12 547	9 547
Share premium	153 337	129 484
Other paid-in capital	7 033	5 304
Retained losses	(129 258)	(108 517)
Translation adjustment	139	910
Equity attributable to ordinary shareholders	43 798	36 728
Non-controlling interest	7 795	8 792
<b>Total equity</b>	<b>51 593</b>	<b>45 520</b>
<b>Non-current liabilities</b>		
Interestbearing loan	8 629	8 364
Deferred tax	9 582	9 998
Lease obligations	7 986	9 933
Other liabilities	11 568	7 878
<b>Total non-current liabilities</b>	<b>37 765</b>	<b>36 173</b>
<b>Current liabilities</b>		
Current portion of long-term debt	3 360	2 420
Trade Payables	2 887	6 014
Other current liabilities	3 465	6 995
<b>Total current liabilities</b>	<b>9 712</b>	<b>15 429</b>
<b>Total liabilities</b>	<b>47 477</b>	<b>51 602</b>
<b>Total shareholders' equity and liabilities</b>	<b>99 070</b>	<b>97 122</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**Unaudited**

	Attributed to equity holders of the parent						Non - controlling interest	Total equity
	Share capital	Share premium	Other-paid- in capital	Translation adjustment	Retained earnings	Total		
<i>(Amounts in NOK thousands)</i>								
Equity at 1 January 2009	9 547	129 484	5 304	5 101	(81 872)	67 564	10 897	78 461
Total comprehensive income for the period	-	-	-	(3 797)	(19 724)	(23 521)	(1 884)	(25 405)
Equity at 30 September 2009	9 547	129 484	5 304	1 304	(101 596)	44 043	9 013	53 056
Equity at 1 January 2010	9 547	129 484	5 304	910	(108 517)	36 728	8 792	45 520
Share issue	3 000	27 000	-	-	-	30 000	-	30 000
Transaction costs	-	(3 147)	-	-	-	(3 147)	-	(3 147)
Share based payment	-	-	1 730	-	-	1 730	-	1 730
Total comprehensive income for the period	-	-	-	(770)	(20 743)	(21 513)	(997)	(22 510)
<b>Equity at 30 September 2010</b>	<b>12 547</b>	<b>153 337</b>	<b>7 034</b>	<b>140</b>	<b>(129 259)</b>	<b>43 798</b>	<b>7 795</b>	<b>51 593</b>

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
**For the period ended 30 September**

	<i>2010</i>	<i>2009</i>
	<i>01.01-30.09</i>	<i>01.01-30.09</i>
<i>(Amounts in NOK thousands)</i>	<i>Unaudited</i>	<i>Unaudited</i>
<b>Net cash used in operating activities</b>	<b>(17 809)</b>	<b>(20 155)</b>
Purchases of property, plant & equipment	<b>(815)</b>	(477)
Purchases of intangible assets	<b>(154)</b>	-
Business acquisition	<b>25</b>	-
<b>Net cash used in investing activities</b>	<b>(944)</b>	<b>(477)</b>
Share issuance	<b>26 853</b>	-
Proceeds from loans	<b>454</b>	-
Payments of loans	-	(6 831)
Payment of contingent liability	-	(350)
Principal payments on finance leases	<b>(1 572)</b>	(101)
<b>Net cash from financing activities</b>	<b>25 735</b>	<b>(7 282)</b>
<b>Net change in cash and cash equivalents</b>	<b>6 982</b>	<b>(27 914)</b>
Effect of changes in foreign exchange rates	<b>53</b>	260
<b>Cash and cash equivalents at beginning of period</b>	<b>7 782</b>	<b>39 772</b>
<b>Cash and cash equivalents at end of period</b>	<b>14 818</b>	<b>12 118</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2010

### NOTE 1 – ACCOUNTING PRINCIPLES

These interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". They do not include all of the information required for full annual financial reporting, and should be read in conjunction with the consolidated financial statements of Nordic Mining ASA ("the Company") and the Group for the year ended 31 December 2009.

These interim financial statements were approved by the Board of Directors on 4 November 2010.

The accounting policies adopted are consistent with those followed in the preparation of the Company's and the Group's annual financial statements for the year ended 31 December 2009.

### NOTE 2 – TRANSACTIONS RELATED TO BUSINESS ACQUISITIONS

#### *Keliber Oy*

In the second quarter of 2010, Nordic Mining has paid EUR 1.2 million in new equity to Keliber Oy. The new equity has priority for repayment before ordinary dividend.

### NOTE 3 – EQUITY ISSUE

Following equity issues in February and March, the Company has received a cash amount of NOK 26.9 million after deduction of expenses. NOK 9.1 million of the net proceeds was received in April.

Total number of shares in Nordic Mining after the issues:

Number of shares	Ordinary shares
<b>Opening balance 1 January 2010</b>	<b>95 470</b>
Share issuance	30 000
<b>Closing balance 30 September 2010</b>	<b>125 470</b>

### NOTE 4 – SEGMENT

The Group shows segments on the basis of products or products under development. The three reportable segments are:

- Anorthosite which is produced by Gudvangen Stein AS.
- Lithium whereby Keliber Oy in Finland owns mineral reserves 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 – 30 September.

	Anorthosite		Lithium		Titanium		Adjustments and eliminations		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenues	14 557	14 992	-	-	-	-	-	-	14 557	14 992
Segment result	(6 299)	(4 189)	(2 493)	(1 478)	(5 383)	(9 141)	(7 198)	(5 263)	(21 373)	(20 071)

## NOTE 5 – SHARE-BASED PAYMENT AND TRANSACTIONS WITH RELATED PARTIES

### *Incentive program*

Nordic Mining granted 3.5 million options to employees and consultants in June 2010. The options have no vesting requirements and thus were fully vested on the grant date. Nordic Mining recognized an expense equal to the fair value of the options granted of NOK 1.7 million in June of 2010. The options expire in June 2012.

	Number of options	Weighted average exercise price
Opening balance 1 January 2010	3 090 000	2.04
Granted options	3 500 000	1.60
Expired options	(3 090 000)	2.04
<b>Closing balance 30 September 2010</b>	<b>3 500 000</b>	<b>1.60</b>
<b>Exercisable 30 September 2010</b>	<b>3 500 000</b>	<b>1.60</b>

The weighted average fair value of options granted in the 2 quarter 2010 was NOK 0.49. The weighted average inputs used to estimate the Black Scholes fair value of the options were: volatility of 76%, expected life of 1.97 years, risk free interest of 2.3%, exercise price of NOK 1.6 and share price of NOK 1.34.

### *Related parties*

Nordic Mining has a business service agreement with Dag Dvergsten AS for i.a. office rental and administrative support functions. Dag Dvergsten AS is owned by Dag Dvergsten who is Chairman of the Board of Directors of Nordic Mining ASA. Nordic Mining has purchased services according to the business service agreement for NOK 2.0 million from Dag Dvergsten AS in the period 1 January to 30 September 2010.

## **NOTE 6 – CHANGE OF LOAN AGREEMENTS**

When acquiring Keliber in 2008, the Group recognized a debt to Keliber's former business partners who had an agreement to get a refund of their previous contribution to the project. The debt matured in 2010, but has been refinanced. 50% of the loan now matures 1 year after the start of production and 50% at 31.12.2015. All debt shall be repaid within 31.12.2015. The nominal amount of the debt is Euro 522,000. The loan has been reclassified as long-term debt.

## **NOTE 7 – SUBSEQUENT EVENTS**

### ***Engebø project***

In October 2010, Nordic Mining signed an agreement with the leading international pigment producer CRISTAL GLOBAL, Inc. ("CRISTAL"). CRISTAL is the world's second-largest producer of titanium dioxide and a leading producer of titanium chemicals. The purpose of the agreement is to develop and optimize the production process for rutile resources at Engebø in order to meet the feedstock quality requirements of CRISTAL. Nordic Mining and CRISTAL will cooperate on processing tests and quality requirements relevant for titanium dioxide pigments. Subject to a successful development of the Engebø project and establishment of production processes that meet the requirements of CRISTAL, the parties intend to negotiate the terms and conditions for a long-term supply and off-take agreement for rutile.

The tailings from Engebø have been approved as capping material for contaminated sediments in accordance with the Norwegian Climate and Pollution Agency's guidelines for capping materials. The evaluations have been executed and reported by Biologge AS ("Biologge") based on chemical analysis and tests of eclogite and mineral samples. Accumulation of heavy metals and other contaminations represent a major environmental challenge in many port areas throughout Europe. In Norway, a total of 17 port areas have been prioritized by the authorities for further examination and clean-up, possibly by the use of capping materials.

### ***Keliber***

Preliminary results from ongoing drilling program are promising. A clear pegmatite mineralization has been detected in one of the targeted areas for the drilling program. Additional drilling will be executed in the same area in order to get a better picture of the continuation of the mineralization.