# MINERAL RESOURCE ESTIMATE FOR THE ØYGREI PROJECT, EIGERSUND, NORWAY

## 1 BACKGROUND

SRK Exploration Services Ltd ("SRK ES") has been commissioned by Norge Mining PLC ("Norge Mining") to produce a Mineral Resource Estimate ("MRE") for the Øygrei Project, located in southern Norway. The MRE has been produced in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code ("JORC" or "The JORC Code"). The principal mineral concentrates that would be produced should the project be developed to a mining operation are ilmenite (containing titanium; $TiO_2$), apatite (containing phosphate; $P_2O_5$) and magnetite (containing vanadium; $V_2O_5$).

Øygrei comprises a relatively small 10 $km^2$ part of Norge Mining's Bjerkreim Project, situated in the large Bjerkreim-Sokndal layered intrusion (BSL) which is located in the eastern margin of the large Rogaland Anorthosite province at its contact with Paleoproterozoic Sveconorvegian gneisses. The project focusses on the Bjerkreim Lobe of the BSL intrusion, which forms a large synclinal/trough structure. The Øygrei area lies on the northern limb of this trough where several mineralised zones converge and so represents a target for potential open pit mining.

## 2 DATA QUALITY AND QUANTITY

The 2020 exploration programme of mapping and diamond drilling to collect the data for the MRE was designed, managed and supervised by SRK ES.

SRK ES also undertook a Competent Person site visit between 30th October and 4th November 2020. The site visit was conducted by Dr Mike Armitage, a Competent Person as defined by JORC. During the site visit, Dr Armitage visited the major outcrops, viewed the drilling rigs in action and spent time in the core yard and the exploration office to hold discussions with the SRK ES personnel involved in the ongoing data collection, geological modelling and resource work.

The quality of the data used in the MRE is supported by robust Quality Assurance and Quality Control ("QAQC") procedures used during the sampling process.

The data cut-off used to produce this MRE was the 31st December 2020 and comprised some 4,787 assay samples from 24 drill holes.

## 3 GEOLOGICAL MODEL AND BLOCK MODEL PARAMETERS

Using drilling data, SRK ES has created a series of adjacent, sub-vertical, stratiform units which generally correspond to the magmatic stratigraphy of the BSL. The model effectively separates strata of varying geochemical characteristics into a series of geostatistical domains.

The geometric parameters of the rotated block model have been defined by the sampling density, geological continuity and suitable open pit mining block height.

# 4 STATISTICAL AND GEOSTATISTICAL ANALYSIS

SRK ES has undertaken statistical analysis to select a suitable composite length of 2 m and to investigate the efficacy of the domain modelling.

Geostatistical analysis was performed for each variable in each domain via the study of experimental semivariograms to determine appropriate interpolation parameters.

# 5 GRADE INTERPOLATION AND MODEL VALIDATION

Grade and density data were interpolated into the block model using ordinary kriging. In the case of some domains where fewer data points were present, an inverse distance$^2$ algorithm was used. Optimal search parameters were selected for each domain.

The model has been validated by three principal means: visual validation, mean block grade/composite global grade comparison, and swath plots. The validation methods show that the interpolation was successful and that the block model grades do not over- or underestimate the input data and show an appropriate degree of smoothing of grades through the block model.

# 6 MINERAL RESOURCE CLASSIFICATION

The Mineral Resource statement presented in this report has been reported according to the definitions and guidelines set out in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (the JORC Code).

SRK ES has classified areas of the Øygrei deposit proximal to diamond drilling as Indicated Mineral Resources and areas along strike of the mineralisation but further away from drill data as Inferred Mineral Resources.

The Mineral Resource Statement is effective as at 21$^{st}$ January 2021 and amounts to 1,550 Mt of material with mean grades of 1.74% $P_2O_5$, 4.95% $TiO_2$ and 0.07% $V_2O_5$. Some 800 Mt of this with mean grades of 1.84% $P_2O_5$, 4.98% $TiO_2$ and 0.07% $V_2O_5$ has been reported as an Indicated Mineral Resource and some 750 Mt of this with mean grades of 1.63% $P_2O_5$, 4.91% $TiO_2$ and 0.07% $V_2O_5$ as an Inferred Mineral Resource.

**Table** Error! No text of specified style in document.**-1 SRK ES Mineral Resource Estimate for the Øygrei Project, effective 21$^{st}$ January 2021**

| Mineral Resource Classification | Tonnes (Mt) | $P_2O_5$ Grade (%) | $TiO_2$ Grade (%) | $V_2O_5$ Grade (%) |
|---|---|---|---|---|
| Indicated | 800 | 1.84 | 4.98 | 0.07 |
| Inferred | 750 | 1.63 | 4.91 | 0.07 |
| **Total** | **1,550** | **1.74** | **4.95** | **0.07** |

In reporting the Mineral Resource Statement, SRK ES notes the following:

- The Mineral Resource comprises all of the material that was considered to be able to be classified as Indicated or Inferred and which falls within an optimised pit so as to restrict this to mineralisation that has reasonable prospects for eventual economic extraction;

- The tonnage reported has also been restricted to those blocks which are above an economic cut-off value which reflects forecast commodity prices and estimates of processing, administrative and selling operating costs.
- Mineral Resources are not Ore Reserves and do not have demonstrated economic viability, nor have any mining modifying factors been applied;
- The Mineral Resource is open laterally to the northwest and at depth, so there is potential for this to be increased following further drilling;
- Tonnages are reported in metric units, grades in percent (%). Tonnages and grades are rounded appropriately. Rounding, as required by reporting guidelines, may result in apparent summation differences between tonnes, grade and contained metal content. Where these occur, SRK ES does not consider them to be material;
- The reported Mineral Resource has an effective date of 21st January 2021; and
- The Competent Person for the declaration of Mineral Resources is Dr Mike Armitage C Eng C Geol.

It should also be noted that SRK ES has assumed that it will be possible to recover all of the commodities reported and notes that test work is ongoing to demonstrate the recoveries that could be expected in doing this. Specifically, for example, SRK ES has assumed a 50% recovery of $TiO_2$ into concentrate although recoveries achieved in test work to date have not yet reached this level. In addition, SRK ES has assumed selling prices of USD230/t of ilmenite, USD97.75/t of phosphate and USD.2/lb of $V_2O_5$. Notwithstanding these assumptions, SRK ES has also assessed the sensitivity of the Mineral Resource to reductions in the recoveries and selling prices assumed. Notably, for example, should the $TiO_2$ recovery reduce to 35% (which is the recovery that has already been demonstrated) then the reported Mineral Resource would remain in the order of 1,300 Mt.

# 7 EXPLORATION POTENTIAL

The reported Mineral Resource remains open in the Øygrei area and further drilling to the west and below the Mineral Resource reported here has potential to increase this.

Given this, SRK ES has delineated an exploration target, also as defined by the JORC Code, of between 1 and 2 billion tonnes of mineralisation with similar grades to that already reported (between 1.5 and 2% $P_2O_5$, 4.5 and 5.5% $TiO_2$ and 0.05 and 0.09% $V_2O_5$). This exploration target is based on the assumed continuity of the mineralised layers at Øygrei to the northwest and at depth and has yet to be confirmed by drilling, although the assumption is supported by the surface geology and the mineralisation drilled to date remains open in these directions. It should be noted that the exploration target potential tonnage and grade estimates are conceptual in nature, that there has been insufficient exploration to estimate a mineral resource and that it is uncertain if further exploration will result in the estimation of a mineral resource.

SRK ES also note also that there are other areas that have been drilled and that are yet to be drilled within the licence area where it can be expected that Mineral Resources could be reported as exploration proceeds.

**For and on behalf of SRK Exploration Services Ltd**

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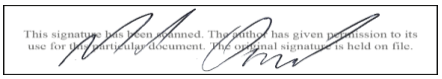


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