

*Denne meldingen til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee AS.*

**To the bondholders of:**

**SIN: NO0012734112      Engebø Rutile and Garnet AS 12.5 % Senior Secured USD 100,000,000  
Bonds 2022/2027**

Oslo, 4 March 2025

## **NOTICE OF A WRITTEN RESOLUTION**

Nordic Trustee AS (the "**Bond Trustee**") acts as bond trustee for the holders of bonds (the "**Bondholders**") in the above mentioned bond issue with ISIN NO0012734112 (the "**Bonds**") issued by Engebø Rutile and Garnet AS as issuer (the "**Issuer**") pursuant to the bond terms made between the Bond Trustee and the Issuer dated 7 November 2022 (the "**Bond Terms**").

All capitalised terms used, but not defined, herein shall have the meaning assigned to them in the Bonds Terms, unless otherwise stated herein. References to Clauses and paragraphs are references to Clauses and paragraphs in the Bond Terms.

The Bond Trustee has issued this notice of a Written Resolution pursuant to a request from the Issuer, in accordance with the terms of the Bond Terms.

*The information in this notice (the "**Notice**") regarding the Issuer, market conditions and described transactions is provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information. Bondholders are encouraged to read this Notice in its entirety.*

### **1            BACKGROUND**

#### **1.1          Project update**

The Engebø Project is currently in production ramp-up and the Group has, so far, no sales revenues from operations.

As announced in the Issuer's interim report for the fourth quarter of 2024 (the "**Q4 Interim Accounts**"), the main construction activities at Engebø were completed during Q4 2024 with only minor balance of plant items remaining to complete the scope of work under the EPC Contracts. The Issuer did not achieve all ramp-up goals set for January 2025 due to unforeseen challenges arising as capacity was increased during the production ramp-up. These issues have been identified and have either been

rectified or addressed through the implementation of temporary short-term solutions as described in the Q4 Interim Accounts.

The ramp-up is currently in a phase with uncertainty, where process equipment has increasing load and extended operating hours. Additional unforeseen challenges or debottlenecking requirements may occur as the ongoing tasks are of high complexity, and activities are running in parallel to achieve the production ramp-up plans. The Issuer targets first shipment of garnet in the end of Q1 2025 and first shipment of rutile in Q2 2025.

The Issuer's cashflow is directly influenced by the risk of issues arising in production ramp-up that may cause delayed revenue or unexpected costs, in addition to potential exchange rate fluctuation. The Issuer has sufficient funding to pay its costs, but is vulnerable when it comes to maintaining the Financial Covenant of Minimum Issuer Liquidity at all times.

To mitigate the situation the Issuer is considering its options to strengthen the Liquidity, including by issuing additional Bonds under the Bond Issue.

Pursuant to the Bond Terms the Issuer has issued Bonds in the amount of USD 100,000,000. The Bonds were issued on the Issue Date, and the net bond proceeds have been fully disbursed to the Issuer in accordance with the terms and conditions of the Bond Terms and applied towards the purpose set out in Clause 2.3 (*Use of proceeds*) of the Bond Terms.

Under the current Bond Terms there is no room for issuing additional Bonds, without the prior approval of the Bondholders to increase the amount of Bonds under the Bond Terms. The Issuer has therefore requested the Bond Trustee to issue this Notice to seek the Bondholders' consent to issue additional Bonds in the maximum nominal amount of USD 33,000,000.

## **1.2 Description of the Bond Amendments**

The Issuer is hereby requesting that the Bondholders consent to the amendments to the Bond Terms set out below, which will allow for the issue of additional bonds under the Bond Terms in the maximum amount of USD 33,000,000 (the "**Tap Issue**"), and approve the Proposal (as defined below):

### *1.2.1 Changes to the definitions in Clause 1.1 (Definitions) of the Bond Terms*

The following new definitions will be included in Clause 1.1 (Definitions) of the Bond Terms:

**"Additional Bonds"** means the debt instruments issued under a Tap Issue.

**"Initial Bond Issue"** means the amount to be issued on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

**"Maximum Issue Amount"** means the maximum amount that may be issued under these Bond Terms as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

**“Tap Issue”** has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

The existing definition of "Bonds" in Clause 1.1 (*Definitions*) of the Bond Terms will be replaced with the following:

**“Bonds”** means (i) the debt instruments issued by the Issuer pursuant to these Bond Terms, including any Additional Bonds, and (ii) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

The existing definition of "Finance Documents" in Clause 1.1 (*Definitions*) of the Bond Terms will be replaced with the following:

**“Finance Documents”** means these Bond Terms, the Bond Trustee Fee Agreement, the Transaction Security Documents, the Intercreditor Agreement, any Tap Issue Addendum and any other document designated by the Issuer and the Bond Trustee as a Finance Document, in each case as amended and/or supplemented from time to time.

#### 1.2.2 *Amendments to Clause 2.1 (Amount, denomination and ISIN of the Bonds)*

Clause 2.1 (*Amount, denomination and ISIN of the Bonds*) shall be replaced with the following:

### **2.1 Amount, denomination and ISIN of the Bonds**

- (a) The Issuer has resolved to issue a series of Bonds up to USD 133,000,000 (the **“Maximum Issue Amount”**). The Bonds may be issued on different issue dates and the Initial Bond Issue was in the amount of USD 100,000,000. The Issuer may, provided that the conditions set out in Clause 6.1.4 (*Tap Issues*) are met, at one or more occasions issue Additional Bonds (each a **“Tap Issue”**) until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Nominal Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a **“Tap Issue Addendum”**).
- (b) The Bonds are denominated in USD Dollars (USD), being the legal currency of the United States of America.
- (c) The Bonds are listed on Nordic ABM and the Additional Bonds will be issued under the ISIN for the Initial Bond Issue.

- (d) The Initial Nominal Amount of each Bond is USD 1.
- (e) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN and (ii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.
- (f) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1 (Authority of the Bondholders' Meeting).

1.2.3 *Changes to Clause 2.3 (Use of proceeds)*

Clause 2.3 (*Use of proceeds*) shall be replaced with the following:

**2.3 Use of proceeds**

The Issuer will use the net proceeds from the Initial Bond Issue and from the issuance of any Additional Bonds towards payment of Project Costs associated with the development of the Engebø Project.

1.2.4 *Changes to Clause 6 (Conditions for disbursement)*

A new Clause 6.1.4 (*Tap Issues*) shall be included, and the existing Clause 6.1.4 (*Waivers*) will become the Clause 6.1.5 (*Waivers*).

**6.1.4 Tap Issues**

The Issuer may issue Additional Bonds and the net proceeds thereof will be disbursed to the Issuer if:

- (a) a Tap Issue Addendum has been duly executed by all parties thereto; and
- (b) the representations and warranties contained in Clause 7 (*Representations and Warranties*) of these Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Additional Bonds.

1.2.5 *Changes to Clause 9.1 (Calculation of interest)*

Clause 9.1 (*Calculation of interest*) shall be replaced with the following:

**9.1 Calculation of interest**

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of

the Interest Period, and ending on but excluding the last date of the Interest Period.

- (b) Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with paragraph (a) above.
- (c) Interest shall be calculated on the basis of a 360-day year comprised of 12 months of 30 days each (30/360-days basis), unless:
  - (i) the last day in the relevant Interest Period is the 31<sup>st</sup> calendar day but the first day of that Interest Period is a day other than the 30<sup>th</sup> or the 31<sup>st</sup> day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or
  - (ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

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The proposed amendments to the Bond Terms described above (referred to as the "**Bond Amendments**") will be implemented by way of an agreement providing for the amendment of the Bond Terms, to be entered into between the Issuer as issuer and the Bond Trustee on behalf of the Bondholders.

In addition, the Bond Terms will be amended to include non-material and logical changes resulting from the Bond Amendments.

Subject to the Bondholders' resolution to approve the Proposal the Issuer intends to launch the Tap Issue as a private placement with an offer to subscribe up to USD 33,000,000 in Additional Bonds, on the basis of the Bond Terms and a subscription agreement (application form), and documented by a Tap Issue Addendum.

The Bond Trustee has been informed by the Advisor that, as at the date of this Notice, Bondholders holding in aggregate approximately 82% of the total outstanding principal amount of the Bonds have indicated their support of the Proposal.

## **2 THE PROPOSAL**

Based on the above, the Issuer has requested the Bond Trustee to summon a Written Resolution to propose that the Bondholders resolve the following resolution (the "**Proposal**"):

- (a) The Bondholders approve the Bond Amendments.
- (b) The Bondholders approve the Tap Issue.
- (c) The Bondholders authorise the Bond Trustee to enter into any agreements, notices, arrangements or other documentation, including without limitation the amendment of the Bond Terms, a Tap Issue Addendum, amendments to the Transaction Security Documents (as required) and other Finance Documents (as applicable), as it deems necessary or desirable to implement and effect the Proposal and the Bond Amendments in its sole discretion in accordance with the decisions made by the Bondholders, and any other changes to the Bond Terms it deems necessary or which are ancillary or logistical in this respect.
- (d) The consents, approvals and authorisations of the Proposal set out in this Notice are intended to take effect from the date of approval of the Proposal.

The effectiveness of the Bond Amendments will be made subject to the Issuer's satisfaction of customary conditions precedent, including without limitation, confirmations from the Issuer and the Parent Guarantor in respect of the Transaction Security and the Guarantee.

### **3 EVALUATION OF THE PROPOSAL**

The Proposal is put forward to the Bondholders without further evaluation or recommendation from the Bond Trustee, and the Bond Trustee emphasises that each Bondholder should cast its vote based on its own evaluation of the Proposal. Nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee.

The Bondholders must independently evaluate whether the Proposal is acceptable and vote accordingly. The Bond Trustee urges each Bondholder to seek advice in order to evaluate the Proposal.

### **4 FURTHER INFORMATION**

For further questions regarding the Proposal, please contact:

Tord Meling  
Email: [tord.meling@nordicmining.com](mailto:tord.meling@nordicmining.com)

The Issuer has retained Clarksons Securities AS as financial advisor (the "**Advisor**") with respect to the Proposal. Bondholders may contact the Advisor for further information:

Hans-Arne L'orange  
Head of Metals & Minerals | Investment Banking

Telephone: +47 92 42 64 37

Email: [hal@clarksons.com](mailto:hal@clarksons.com)

The Advisor acts solely for the Issuer and no-one else in connection with the Proposal. No due diligence investigations have been carried out by the Advisor with respect to the Issuer, and the Advisor expressly disclaims any and all liability whatsoever in connection with the Proposal (including but not limited to in respect of the information herein).

For further questions to the Bond Trustee, please contact Olav Slagsvold, +47 22 87 94 45, [slagsvold@nordictrustee.com](mailto:slagsvold@nordictrustee.com).

## 5 WRITTEN RESOLUTION

Bondholders are hereby provided with a voting request for a Written Resolution pursuant to Clause 15.5 (*Written Resolutions*) of the Bond Terms. For the avoidance of doubt, no Bondholders' Meeting will be held.

It is proposed that the Bondholders resolve the following (the "**Proposed Resolution**"):

*"The Bondholders approve the Proposal as described in section 2 (The Proposal) of this Notice on the conditions set out herein."*

\* \* \* \*

**Voting Period:** The Voting Period shall expire ten (10) Business Days after the date of this Notice, being on 18 March 2025 at 16:00 Oslo time. The Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority under the Bond Terms prior to the expiration of the Voting Period.

**How to vote:** A duly completed and signed Voting Form (attached hereto as Schedule 1), together with proof of ownership/holdings must be received by the Bond Trustee no later than at the end of the Voting Period and must be submitted by scanned e-mail to [mail@nordictrustee.com](mailto:mail@nordictrustee.com).

A Proposed Resolution will be passed if either: (a) Bondholders representing at least a 2/3 majority of the total number of Voting Bonds vote in favour of the relevant Proposed Resolution prior to the expiry of the Voting Period; or (b) (i) a quorum representing at least 50% of the total number of Voting Bonds submits a timely response to the Notice and (ii) the votes cast in favour of the relevant Proposed Resolution represent at least a 2/3 majority of the Voting Bonds that timely responded to the Notice.

If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the expiry of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in Clause 15.1 (*Authority of the Bondholders' Meetings*).

The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being achieved.

If the above resolution is not adopted as proposed herein, the Bond Terms and other Finance Documents will remain unchanged.

*Olav Slagsvold*

Yours sincerely,

Nordic Trustee AS

Appendices:

Appendix 1 - Voting Form



**Appendix 1: Voting Form – Written Resolution**

**ISIN: NO0012734112 Engebø Rutile and Garnet AS 12.5 % senior secured USD 100,000,000 bonds 2022/2027**

The undersigned holder or authorised person/entity, votes in the following manner:  
The Proposed Resolution as defined in the Notice of a Written Resolution dated 4 March 2025.

**In favour** of the Proposed Resolution

**Against** the Proposed Resolution

ISIN <b>NO0012734112</b>	Amount of bonds owned
Custodian Name	Account number at Custodian
Company	Day time telephone number
	E-mail

Enclosed to this form is the complete printout from our custodian/VPS, verifying our bondholding in the bond issue as of \_\_\_\_\_.

We acknowledge that Nordic Trustee AS in relation to the Written Resolution for verification purpose may obtain information regarding our holding of Bonds on the above stated account in the securities register VPS.

We consent to the following information being shared with the issuer’s advisors (the Advisors):

Our identity and amounts of Bonds owned

Our vote

\_\_\_\_\_  
Place, date

\_\_\_\_\_  
Authorized signature

**Return by mail:**

Nordic Trustee AS  
PO Box 1470 Vika  
N-0116 Oslo  
Norway

Telephone: +47 22 87 94 00

E-mail: [mail@nordictrustee.com](mailto:mail@nordictrustee.com)