

What's up in Sweden

EXPLORATION NEWSLETTER

June 2014



EXPLORATION NEWS

Boss Resources Ltd announced on May 8 that it has completed the processing and analysis of data from the third and final fixed transient electro-magnetic (TEM) loop at its Skogträsk Nickel Copper Project. With the completion of the processing and interpretation of the Loop 3 TEM results, all geophysical data at the Skogträsk Project has now been processed and a total of 11 strong bedrock EM conductors have been identified, each representing prospective exploration targets. The next phase of exploration is being prepared for action later this month.

Beowulf Mining Plc announced on March 19 an operational update in respect of both its Kallak and Ballek projects. The Company's subsidiary, **Jokkmokk Iron Mines AB** ("JIMAB") recommenced its Kallak North drill programme on March 8 following the expiry of the local Sami community's eight week suspension entitlement under the terms of the work plan. **JIMAB** recommenced its Kallak South drill programme on March 12. The existing work plan, for up to a total of approximately 18,000 m of drilling, remains valid until 31 December 2015. The areas drilled to date cover approximately 30% of the Kallak South anomaly and the remaining 70% undrilled areas are the subject of the current work plan.

Nordic Iron Ore AB reported on February 19 increased mineral resources in the Blötberget field. Measured and indicated mineral resources in the Blötberget field are estimated to be 11.0 Mt with 35.0% iron and 27.4 Mt with 44.5% iron respectively. In addition, there are 21.4 Mt with 33.0% iron classed as inferred mineral resources. This means that the total mineral resources in the Blötberget field have increased by roughly 50% compared with previous estimates. The new estimate is reported according to the JORC code.

Drake Resources Ltd announced on March 6 that it has signed a Letter of Intent (LOI) with **Vilhelmina Mineral AB**, to investigate the potential of combining assets to achieve a possible near term production scenario. The LOI concerns the possible synergies between **Drake's** Joma and Gjersvik tenements (Norway) and **Vilhelmina's** Stekenjokk and Levimalmen tenements (Sweden) 55 kms to the North East of Joma and the potential for the combination to create an appealing economic basis to commence near term production.

Talga Resources Ltd announced on February 19 results from graphene testwork conducted by the **University of Adelaide** on drillcore from **Talga's** Nunasvaara graphite deposit. Some of the key conclusions of the testwork include: Graphene can be directly and rapidly liberated from unprocessed Nunasvaara graphite ore in a one-step process with no intermediate stages/product and the quality of graphene produced is comparable to graphene

made from synthetic routes. Graphite is liberated as part of the graphene production stream offering a path to potentially cheaper graphite production.

In a press release April 2 **Lappland Goldminers AB** announced the district court of Lycksele has as of today, in accordance with the petition of bankruptcy filed by the Company, decided to declare **Lappland Goldminers AB** and **Lappland Goldminers Fäboliden AB** bankrupt.

Flinders Resources Ltd provided on April 23 a further update on the work programme underway to restart graphite production from the Woxna mine and processing facility. Woxna is a fully permitted brownfields graphite mine, having been on care and maintenance since 2001. The plant refurbishment is on track to recommence production in July 2014.

Tasman Metals Ltd announced on April 8 the commencement of a Pre-Feasibility Study ("PFS") for the Norra Kärr heavy rare earth element ("REE") project. **Tasman** is well financed, having recently raised \$5.2 million which provides the capital required for the PFS, further metallurgical research, on-site environmental testwork and monitoring.

Wiking Mineral AB announced on May 12 that drilling at the Gladhammar gold deposit has been recommenced.

Avalon Minerals Ltd provided on April 9 an upgraded Mineral Resource estimate for the Discovery Zone Prospect on the Viscaria Project. It has a copper grade of 0.8% Cu, compared to 0.31% Cu in previous estimates, which has resulted in an increase in contained copper to 71,000 t. The gold grade has increased to 0.19g/t Au from 0.08g/t Au, which has resulted in an increase in contained gold to 55,000 ounces. The increase in copper and gold grade and contained metal relate to a re-interpretation of the geology of the Discovery Zone mineralisation and some changes to the modelled distribution of copper and gold grades, within the broader magnetite model. 30% of the Discovery Zone Mineral Resource has been upgraded to the Indicated resource classification. The new Mineral Resources are reported as:

- 9.0 Mt @ 0.80% Cu and 0.19g/t Au above a 0.4% copper cut-off grade.
- 9.7 Mt @ 38.5% Fe at a cut-off above a 15% Mass Recovery grade.

The Mineral Resource for the Discovery Zone is reported according to the guidelines outlined in the 2012 edition of the JORC Code. **Avalon** commissioned **Salva Resources Pty Ltd**, mining consultants independent to **Avalon**, to conduct the Mineral Resource estimation.

MINING NEWS

Boliden announced on May 6 that **Boliden's** Board of Directors has approved an investment of SEK 600 million in order to enable a further expansion of the Aitik mine to 45 Mt/y. A new ore base calculation has been made for Aitik with an increase in the mineral reserve to 1,085 (633) Mt. In the Q1 report **Boliden** announced that the milled tonnage volume at Aitik totalled 9.2 Mt, corresponding to a 13% increase, year on year, but also to an 8% fall in comparison with the record production levels achieved in the previous quarter. Production occurred in areas with low copper and gold grades during the quarter, and this is expected to continue throughout 2014. A change in the ore mix in the Boliden Area resulted in higher levels of copper production but falls in the production levels for other metals in comparison with the fourth quarter. Pilot operations at the new Garpenberg concentrator started in the beginning of March. This resulted in an increase in the milled tonnage volume during the quarter but also in lower yields, due to the running in of new equipment. Silver production fell, year on year, due to lower grades. The expansion of the Garpenberg zinc and silver mine will increase the mine's production capacity from 1.4 to 2.5 Mt per annum. Pilot operations at the new concentrator began in March and the fine-tuning work continued through April, with production scheduled to start in May.

Dannemora Mineral AB announced on May 13, that Dannemora has filed for company reconstruction with the Uppsala District Court. The decision to apply for reconstruction is based on the fact that the company has not reached the necessary financing solution in time, with shortage of liquidity as a consequence. A reconstruction allows for further discussions with investors about a long-term solution to secure the company's future business. On March 18, **Dragon Mining Ltd** announced that the total Measured, Indicated and Inferred Mineral Resource for the Svartliden Production Centre of 383,000 t grading 4.1 g/t gold for 51,300 ounces represents a decrease in tonnes and ounces when compared with the 31 December 2012 Mineral Resource of 971,400 t grading 3.8 g/t gold for 118,800 ounces. These decreases are attributed to mining depletion at the Svartliden Gold Mine and the exclusion of remaining stockpile material from the Mineral Resource report. The deposit has been closed off by drilling at depth and along strike and there is little scope for additional Mineral Resources to be defined from further drilling in the immediate mine area. Mineral Resources were classified in accordance with the JORC code.

Northland Resources S.A. presented operational development of the Kaunisvaara project in a Management's Discussion and Analysis for the quarter ending March 31. The first process line is fully operational and in April average

daily production has been 93 % of design capacity. Operating costs for the mine and concentrator operations in Kaunisvaara reached periodically in the first quarter the budgeted target of 65 USD per dry metric tonne and has during April gradually stabilized at the budgeted level. Logistics costs per dry metric tonne remained above target levels during the first quarter, mainly due to lower capacity than anticipated, and are currently being optimized. By the end of the first quarter, **Northland** had produced about 394,000 dry metric tonnes of iron ore concentrate with 69 percent Fe-grade in 2014, and a total of 1,375,000 dry metric tonnes since the start of production. After completion of the second processing line the Company plans to reach a production rate of 3.9 million dry metric tonnes per year, which is estimated to take place during the beginning of the fourth quarter of 2014.

On May 13, **Elgin Mining Inc** announced that Gold production for the first quarter at the Björkdal goldmine was 10,812 ounces. Production is ahead of target and was the best Q1 since the restart of mining operations in 2006.

In an interim report for Q1, the CEO for **LKAB**, Lars-Eric Aaro commented "demand for LKAB's products continued to be strong during the quarter. We delivered 6.6 (6.3) Mt of iron ore products, a 5% increase. Our own production during the quarter was at a high, steady level of 6.6 (6.1) Mt, which is 8% higher".

Lundin Mining Ltd announced in a first quarter report that zinc production of 19,239 t at Zinkgruvan met expectations and was 23% higher than the comparable period in 2013. Lead production of 9,133 t exceeded expectations and presents an increase of 39% over the comparable period in 2013.

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