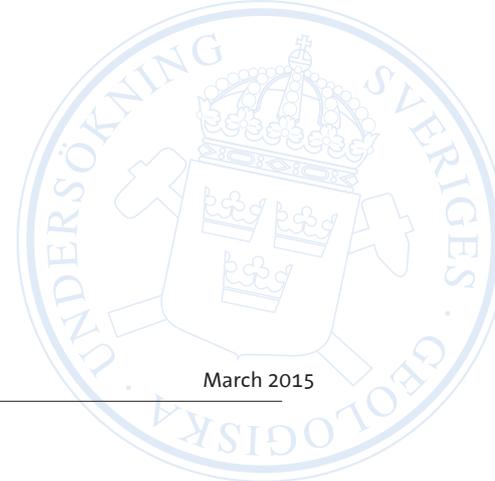


What's up in Sweden

EXPLORATION NEWSLETTER

March 2015



EXPLORATION NEWS

Tasman Metals Ltd announced on December 9 the completion of a drilling programme to collect a representative metallurgical sample at the Norra Kärr heavy rare earth element (REE) project. The recent diamond drilling programme has delivered approximately 8 tonnes of large diameter core that will be used for additional metallurgical test work during 2015. The cost of this drill program was borne by the **EURARE** project, of which **Tasman** is a research partner. **EURARE** is a research project co-funded by the European Commission. On January 21 **Tasman** provided a summary of the Pre-Feasibility Study (PFS) with an effective date of 13th January 2015 for the Norra Kärr heavy rare earth element (REE) deposit. The PFS confirms Norra Kärr to be an economically robust project, with a long mine life, and the capacity to be a major producer of the most critical REE's, dysprosium (Dy), yttrium (Y), neodymium (Nd) and terbium (Tb).

Avalon Minerals Ltd announced on January 12 the assay results of a drill hole, which targeted copper mineralisation at the south-western end of the A Zone Prospect on the Viscaria Copper-Iron Project. It intersected three zones of mineralisation: Upper Zone: 7.95m @ 0.4% Cu from 21 metres downhole; Main Zone: 22.3m @ 0.7% Cu from 64.70 metres downhole, including 3.1m @ 2.1% Cu from 82.90 metres; and the New Footwall Zone: 10.55m @ 0.5% Cu from 125.45 metres downhole. Avalon's Managing Director, Malcolm Norris, said "This result is very encouraging as we have now proved the existence of a new copper zone in the footwall to the main A Zone ore body. This result could potentially add to the A Zone Mineral Resource, as well as add to the tonnes available for open pit mining at A Zone due to its relatively shallow depth."

On December 4, **Beowulf Mining Plc** reported an updated resource statement for Kallak North and a maiden resource statement for Kallak South. The total indicated resource has increased by 34% to 118.5 Mt at 27.5% Fe from 88.3 Mt at 27.7% Fe in the 2013 resource statement. The maiden indicated resource for Kallak South is 12.5 Mt at 24.3% Fe and the inferred resource is 16.8 Mt at 24.3% Fe. Kurt Budge, Chief Executive Officer of **Beowulf**, commented: "we have the added bonus of delivering both a maiden resource for Kallak South and a sizable 90-100 Mt exploration target. There are more tonnes to be had at Kallak, but the focus is now on finding the right partner to work with us on developing the project. We have already completed a substantial body of work across many key disciplines, which position the Company well for targeting potentially interested parties."

Botnia Exploration AB announced on December 22 the submission of an application for test mining at the Fäbodtjärn gold deposit to the County Administrative Board. Consultations are taking place with authorities, stakeholders and with Rans Sami village. A cooperation agreement has recently been reached with the Sami village. The purpose is that the Sami village in due time will be given the opportunity to present their views and comments on how and what the consequences of a future establishment may have for the Sami usage of land.

On January 22, **Dannemora Mineral AB** announced that the drilling activities have resumed to a limited extent. The reason why the company ceased the drilling activities was to reduce the need for liquidity during the autumn. To be able to maintain the future production in the mine, the drilling now must resume. The scope of the activities is limited and takes place within framework of the available liquidity and existing resources.

Nordic Iron Ore AB announced on January 21 that as part of the ongoing feasibility study for the restart of the Blötberget mine, **Nordic Iron Ore** has recently concluded pilot scale metallurgical trials at **GTK** test facilities in Finland. A 150 tonne bulk sample of typical ore was taken from the site at Blötberget, from which a 20 tonne feed sample was blended for the semi continuous pilot scale trials. The ores from Blötberget proved to be readily amenable to concentration using conventional process equipment, crushing, grinding, magnetic separation, spiral classification and flotation. The trials produced close to 8 tonnes of magnetite and hematite concentrates (13:1), which when blended defined a product with >70% Fe content and low gangue mineral content. These concentrates are now available to potential customers for testing to determine the suitability for use in their iron making processes.

Boss Resources Ltd announced on November 17 that it has received assay results for intervals of the graphite mineralisation intersected by a drillhole at the Skogträsk Project. 28 m of representative samples of the graphitic shales, from a total of 70 m visually identified, were submitted for assay to determine grade in advance of any further testing. Results have confirmed an average grade of mineralisation of 6.85 % Graphitic Carbon (CG) with mineralisation up to 11.7 % and are deemed by Boss's geologists to be representative of the whole interval. The drilling programme was designed to test depth extensions of existing Ni/Cu mineralisation and to intersect electromagnetic conductors (EM) identified from the Company's detailed moving loop time domain electromagnetic (TEM) survey. The drillhole was oriented to intersect the strongest part of the EM conductor down

dip of historic mineralisation, and the source of this TEM anomaly was explained by the presence of the graphitic shales which were initially identified on visual inspection of the core.

MINING NEWS

Mandalay Resources Ltd announced on January 12 its production and sales results for the fourth quarter and full year of 2014. Production at Björkdal was 14,549 oz Au. Björkdal was acquired on the 9th of September 2014, accordingly the production figure relates to the period between the 10th of September and 31st of December 2014. On February 17, **Mandalay** announced that its 2014 exploration and acquisition efforts have resulted in a significant increase in overall Mineral Resources and Mineral Reserves. The most significant increase is in gold reserves, due to the acquisition of the Björkdal Au mine, at which a new independent estimate by **Roscoe Postle Associates** has identified 432,000 ounces Au in Probable Mineral Reserves.

Flinders Resources Ltd provided on January 27 an update on the production and sales of flake graphite from the Woxna mine. In July 2014, the Company began operating the Woxna facility. During the initial months of operations, the Company completed progressive process improvements, to ensure the plant met design specifications and that the graphite products produced fulfilled customer expectations. During this commissioning period, the quantity of graphite produced was limited, and the grade variable, due to the ongoing plant refinements. Despite this product quality variability, the Company has sold and shipped the total of 2014's production to various European customers. The last of the 2014 graphite product was shipped to customers this month.

Lundin Mining Corporation announced on January 21 production results for the three and twelve months ended December 31, 2014. Zinc, lead and copper production at Zinkgruvan were all in line with annual production targets. Zinkgruvan again this year achieved a historic new milestone with record tonnage of ore mined and milled.

In an interim and year-end report **Boliden** announced that production increased during the quarter of all metals in concentrate, other than copper, year on year. Garpenberg, where mining occurred in areas with high silver grades accounted for the sharp increase in silver in concentrate production. Aitik's production levels were high during the quarter and the milled tonnage volume was 10 Mt. As in the third quarter, mining occurred in areas with low copper and gold grades and a mineral composition that yields low recovery levels. Copper in concentrate production increased, however,

in comparison with the third quarter, due to the higher milled tonnage volume, but decreased, year on year, due to lower grades and recovery levels. The milled tonnage volume for 2014 as a whole was 39 Mt (37 Mt), but the increase was unable to compensate for lower grades and recovery levels. Gold in concentrate production levels remained unchanged, however. The Boliden Area's ore mix improved during the quarter and production of all metals in concentrate increased in comparison with the previous quarter, despite the fall in milled tonnage volumes. The milled tonnage volume increased for 2014 as a whole and this, coupled with higher grades, resulted in a year on year increase in the production of metals in concentrate, with the exception of copper.

The ramping up of production in the new facility at Garpenberg continued during the quarter. Ore stocks were built up in 2013, ahead of the launch. These stocks were partially consumed during the quarter and by the end of the year, were virtually gone. The concentrator's throughput in 2014 exceeded current ore production levels. The increase in zinc concentrate production was mainly due to higher recovery levels than in the previous quarter and to a year on year increase in milled tonnage volumes. High silver grades resulted in the increase in silver in concentrate production. The milled tonnage volume for the year as a whole increased to 2.2 Mt (1.5 Mt), of which mined production accounted for 1.9 Mt (1.6 Mt). By the end of 2015, the annual pace of milled tonnage volume is expected to rise to 2.5 Mt.

In a year-end report for 2014, **LKAB's** president and CEO Lars-Eric Aaro commented: "Continued high demand for **LKAB's** high-quality processed iron ore products, such as pellets, offers price advantages. It shows that we are well positioned in our customer offering with climate-smart iron ore pellets. **LKAB** also intends to increase its supply of processed products, mainly through increased pellet production in Kiruna with a further 1.4 Mt of iron ore products. Deliveries of iron ore for the quarter totaled 6.7 (6.6) Mt, which is about the same as the fourth quarter last year. Production volume for the quarter was three percent lower than last year and amounted to 6.7 (6.9) Mt."

Dragon Mining Ltd announced on February 4, a conditional Sale and Purchase Agreement with the Bankruptcy Estate of Lappland Goldminers Fäboliden AB to acquire the Fäboliden Gold Project. This acquisition delivers ownership of the Fäboliden Gold Deposit to Dragon Mining, a potential source of open pit material that could be processed at the Svartliden Production Centre.

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