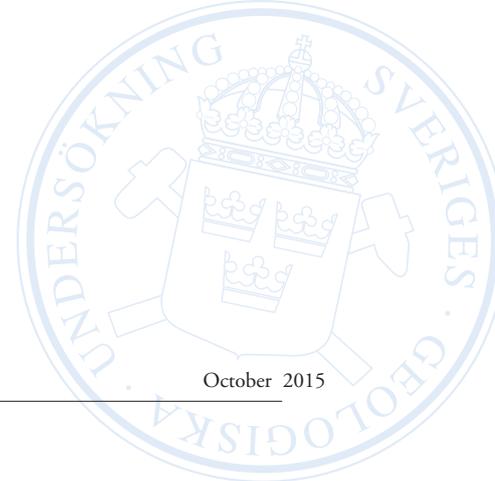


What's up in Sweden

## EXPLORATION NEWSLETTER

October 2015



### EXPLORATION NEWS

**Avalon Minerals Ltd** announced on September 21 the assay results from a diamond drill hole at Viscaria D Zone. A broad variably mineralised zone grading 73.25 m at 1.29% Cu from 535.25 m is hosted within ironstone, marble, tuff and altered basalts. This interval contains 47.5 m at 1.8% Cu from 561 m which represents the main ironstone hosted mineralised interval. Within this wide interval are several high grade zones which consolidate to 26.7 m at 2.6% Cu from 564.6 m. Several individual intervals of approximately 0.8 m down hole width returned Cu assays in excess of 4% Cu. The drill hole was targeted to deliver significant vertical extension to the higher grade, and thicker portion of D Zone copper mineralisation outside of the current Mineral Resource Estimate. This has been delivered. The strike extent of this thicker and higher grade zone now measures approximately 400 m, the interpreted true width ranges from 10 m to 25 m, the vertical extent is greater than 400 m, and remains completely open at depth along the full 400 m strike extent. It is expected that an updated Mineral Resource Estimate for D Zone will be completed and released in November 2015, followed by a Scoping Study in December 2015.

**Beowulf Mining Plc** provided on October 12 an update on its application for an Exploitation Concession for Kallak North in the Kallak iron ore project.  
Highlights:

- The Mining Inspectorate of Sweden has written to the Government of Sweden and recommended that the Exploitation Concession for Kallak North be granted, letter dated 9 October 2015.
- The recommendation is delivered in response to the Department of Enterprise and Innovation's invitation for the Mining Inspectorate to give its views on the findings made by the for the County of Norrbotten on Kallak North, as published in the County Administrative Board's announcement dated 7 July 2015.

**Botnia exploration AB** announced on August 13 an updated mineral resource estimate for the Fäbodtjärn gold deposit after concluding a second drilling program comprising 13 holes totaling 1336 m. The new estimate is 111 kt with average content of 8.5 g/t classified as an indicated resource and 85 kt with average content of 5.9 g/t Au classified as an inferred mineral resource. The estimate was prepared by **GeoVista AB**.

**Dragon Mining Ltd** announced on September 15 the receipt of the final assays for the infill diamond core drill hole program completed at the Fäboliden Gold Project. New results include 14.00 m at 11.05 g/t gold, 13.00 m at 8.37 g/t gold and 10.00 m at 6.91 g/t gold. The drilling of

the 34 hole, 2,941.50 m infill program was completed in June and was designed to evaluate the near surface, higher grade zone of gold mineralisation in the southern portion of the Fäboliden gold deposit. Drill holes ranged in length from 35.00 to 162.00 m and improved the density of drilling in this area to a nominal grid base of 25 by 25 m and 25 by 50 m basis over a strike length of approximately 400 m. The results from the drilling program have shown that the high grade zone displays good continuity both down dip and along strike, the grades received from drilling commensurate with the results from historic drilling. Dragon Mining is focusing efforts initially on the higher grade zone of mineralisation within the larger lower grade envelope, with the objective of generating a maiden resource estimate for this zone, which will form the basis of a Pre-Feasibility study for the Fäboliden Gold Project.

On September 14, **Drake Resources Ltd** announced a ground EM survey conducted over targets within the Bergslagen region near its near-surface Granmuren greenfield nickel sulphide discovery. Two survey lines, 150 m apart, over the southern quadrant of the Korsheden license area identified a conductor associated with a 1.4 km long airborne magnetic anomaly identified from government data. The Ni-Cu target is in an area of gabbro intruded into metasediments and as such has strong similarities with **Drake's** Granmuren Ni-Cu prospect 50 km to the South East. The Uvbergsgruvan small open pit occurs over the target area and was mined for sulphides in the 1600's.

**Hannans Reward Ltd** announced on August 27 that the first diamond drillhole assay results have been received from the Central deposit at the Pahtohavare Cu-Au Project. **Hannans'** Swedish joint venture partner **Lovisagruvan AB** is funding the costs of exploration pursuant to the Joint Venture announced to ASX on 27 March 2015 with **Hannans** to retain a 25% free carried interest through to a Decision to Mine. The assay results confirm a drillhole intercepted wide copper-gold-silver mineralisation, using a 0.1% Cu cut-off, to give an intercept of 53 m at 3.36% Cu, 0.89g/t Au, 6.24g/t Ag from 5.2 m. Visible secondary copper mineralisation was intercepted from a downhole depth of 6.8 m directly under the glacial overburden. The copper mineralisation in the drillhole was primarily chrysocolla and malachite hosted in strongly goethite altered tuffaceous and gabbroic lithologies. In addition to the secondary copper mineralisation, primary chalcopyrite was also observed within the drillcore. On September 30, **Hannans** announced further wide, high-grade copper-gold-silver assays including the following intercept: 12.3 m at 2.99% Cu, 0.87g/t Au, 1.66g/t Ag from 29.2 m.

**Nickel Mountain Group (NMG)** announced on June 29 that further Rönnbäcken nickel project (RNP) development costs are put on hold. During the first quarter of 2015 **NMG** looked in to the Rönnbäcken magnetite concentrate by-product issue more in depth. A global leading steel industry consultancy firm submitted a report at the end of April 2015. The report suggested that **NMG** cannot rely on selling the magnetite by-product as a substitute for iron ore, but needs to invest significant amounts in order to produce a value added product based on the magnetite. The Board of Directors and management of **NMG** have thoroughly considered the information received and consequently concluded that the suggested commercialization option of the by-product makes the whole project more capital intensive and complex than earlier anticipated. If the project shall be restarted, the pre-feasibility study would need to be redesigned to include a merchant pig iron plant and electricity generation. The future nickel price would need to be significantly higher than today in order to generate a fair return on a potentially redesigned RNP-investment.

## MINING NEWS

In an interim report for Q3 **Boliden** announced Aitik's production reported good grades but was negatively affected by unplanned shutdowns and the milled volume was approximately 15% lower than planned, totaling 9.0 Mt. Two out of the mine's three crushers were shut down for unplanned maintenance for two weeks in September. One of these crushers was restarted in mid-October, yielding adequate crushing capacity. The second crusher is still undergoing maintenance work and will be out of operation until the end of November. Lower milled tonnage volumes notwithstanding, production of copper and gold in concentrate increased in comparison with the previous year and the previous quarter, due to higher grades and improvements in recovery levels. The plan for 2015 and 2016 will see production continue in areas with grades slightly below the average grade for the mineral reserve. A new surface crusher is included in the Aitik45 project. An extra campaign involving smelter slag from Rönnskär was conducted in the Boliden Area and production of metal in concentrate consequently fell in comparison with the previous quarter. Production at Garpenberg was negatively affected by unfavorable rock conditions and lower grades also resulted in falls in production of zinc and silver in concentrate in comparison with the second quarter. An annual production rate of 2.5 Mt for both milled tonnage volumes and ore production is expected by the end of 2015.

**Flinders Resources Ltd** provided on June 22 an update on Flinders' operational and corporate plans for the balance of 2015. Key points of this strategy include:

- Completion of Stage 1 plant and mine commissioning, and graphite production at the Woxna operation;
- Implementing the next stage of the Company's growth strategy, to position Flinders as a supplier of choice to the rapidly expanding and game changing lithium ion battery energy storage market;
- Conserving the Company's strong cash position of C\$4M, in the face of four year lows in natural flake graphite prices. Graphite production will be restricted until profit margins improve;
- Maintaining the Company's competitive advantage by continuing to run the Woxna operation on a "production-ready" basis.

In an interim report for Q3, **LKAB** announced underlying operating profit for Q3 was MSEK 798 (1,074), corresponding to an operating margin of 19 (22)%. Production volume was 5.9 (6.3) Mt, which was 6% lower when compared year-on-year. During the quarter the replacement of a furnace mantle ring at one of the pelletizing plants in Kiruna resulted in a lower production volume for the period. Deliveries during the quarter totaled 6.2 (6.7) Mt.

On August 31, **Lundin Mining Ltd** reported its Mineral Resource and Reserve estimates as at June 30. At Zinkgruvan, zinc in Measured and Indicated Mineral Resources and Proven and Probable Mineral Reserves have remained essentially unchanged from 2014 with exploration success offsetting mining depletion.

On October 13, **Mandalay Resources Corporation** announced its production and sales result for the third quarter 2015. Production at Björkdal was 9,761 oz Au. There are no comparable numbers for 2014 as the mine was acquired in September of 2014.

## NEWS FROM MINERAL RESOURCES INFORMATION OFFICE

**SGU** has an ongoing project to scan c. 230 000 m of drillcore at the national drillcore archive at Malå. The drillcores are scanned using hyperspectral infrared imaging that captures visible and near-infrared VNIR, short-wavelength infrared SWIR and long-wavelength LWIR spectral images as well as a high-resolution optical RGB image, directly in the drillcore box. After scanning and subsequent processing the data will be released to the public as so called Open data. Scanning and processing is performed by Specim and TerraCore. The first results of the project can be accessed through a mapviewer at SGU's website.

**SGU**

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The content of this newsletter is entirely based upon public information gathered from newspapers, press releases, and web sites on Internet.

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