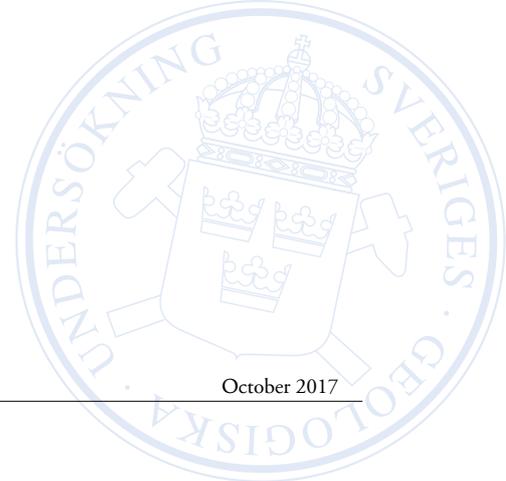


What's up in Sweden

## EXPLORATION NEWSLETTER

October 2017



### EXPLORATION NEWS

**Barsele Minerals Corp** reported on September 19 an update for the exploration programme within the Barsele Project operated by joint venture partner **Agnico Eagle Mines Ltd.** During May through August, between two and five diamond drilling machines were focused along the Central and Avan zones. Results through the end of July include one highlight Infill hole that yielded 19.75 m (estimated 14.5 m true thickness) grading 5.07 g/t gold uncut (3.49 g/t gold cut) at a midpoint depth of 265 m below surface. One expansion hole yielded 7.0 m (estimated 3.7 m true thickness) grading 9.70 g/t gold uncut (9.47 g/t gold cut) at a midpoint depth of 320 m below surface. This hole indicates that the system is still open to the northwest. A second Infill hole yielded two significant intercepts, including 9.0 m (estimated 6.7 m true thickness) grading 4.15 g/t gold uncut (3.80 g/t gold cut) at a midpoint depth of 160 m below surface and 19.0 m estimated 14.3 m true thickness grading 2.73 g/t gold at a midpoint depth of 200 m below surface.

**MRG Metals Ltd** announced on October 2 the completion of initial drilling at the Norrliden Södra Project. Two holes have been drilled to depths of 85 m and 100 m respectively. Both holes intersected 10-15m wide zones of banded sulphide mineralisation dominated by pyrrhotite, pyrite, sphalerite and galena observed in the core.

**Beowulf Mining plc** provided on October 10 an update on the Kallak North Exploitation Concession application process. The Government has requested additional information from the County Administrative Board (CAB), including a statement of the CAB's position on whether the Company's Environmental Impact Assessment meets the requirements of the Environmental Code, and whether mining is an appropriate land use for Kallak. The CAB has been given a deadline of 1 December 2017 to provide its statement to the Government.

On June 26 **Avalon Minerals Ltd** announced diamond drilling results from the Viscaria project. One hole intersects 5.1 m at 2.23% copper from 266 m downhole south of the D-Zone mineral resource. This is the third hole in succession to intersect >2% copper targeting high grade shoots beyond the D Zone mineral resource. On September 6, **Avalon** advised that at a General Meeting held on 4 September, shareholders voted in favour of changing the Company name to **Sunstone Metals Ltd.**

**Botnia Exploration Holding AB** announced on July 11 that the tests with about 20 t of gold bearing quartz from the Fäbodtjärn gold deposit carried out in **Boliden's** Rönnskär smelter have been successful. The companies now agree on further tests with approximately 8,000 to 10,000 t. On August 7, **Botnia** reported that test mining

began in late July. Transfer of the gold ore began on 1 September.

On March 17, **Copperstone Resources AB** announced the discovery of a copper-gold mineralisation in the Svartliden/Eva project area. Quartz veins with chalcopyrite, sphalerite, pyrrhotite, bornite and arsenopyrite sporadically occur along a ca. 85 m long drillcore section from 725 m to 810 m. True width is unknown. On August 29, **Copperstone** announced the release of a technical report presenting an update of the Svartliden – Eva deep drilling programme and proposed future work programme.

**Dragon Mining Ltd** reported in an interim financial report for the six months ended 30 June that the Fäboliden Test Mining Permit Application submitted on 3 June 2016, remains with the County Administration Board (CAB). Since that date, the Company has replied to the CAB's supplementary requests for information. The Company expects to receive the CAB decision around October 2017. Work on the Full Mining Permit is continuing with a planned submission of the application in December 2017.

**EMX Royalty Corp** announced on August 30 that **Boreal Metals Corp** has begun planning for fall exploration programs at its Gumsberg and Adak projects. Geophysical programs, including down-hole electromagnetic surveys of historic drill holes at Gumsberg and Adak, are slated for September and October of 2017, followed by diamond drill programs on each project. Field sampling and mapping are currently underway in preparation for these programs. **EMX** maintains a 19.9% share ownership in **Boreal**, and also retains royalty interests in the partnered projects.

**S2 Resources** provided on May 8 an update on its exploration. **S2** has completed six holes at the Bjurträskgruvan VMS prospect. One hole drilled 135 m down plunge from an intercept of 14.71 m @ 2.2% zinc, 1.0% copper and 5.4 g/t silver. Another hole intersected a 24.4 m thick zone grading 1.11% copper from 220.7 m. Six holes have been completed at the Holmtjärn prospect. Two holes intersected strongly altered, sulphide-rich felsic volcanic breccias with strongly anomalous copper throughout most of one hole and parts of another hole. Several narrow zones within the first hole graded greater than 0.5% copper with minor associated gold.

**Nickel Mountain Resources AB** announced on August 17 that a drill programme has been initiated at Orrbäcken in Västerbotten where boulders with anomalous nickel previously have been found.

On August 29, **Talga Resources Ltd** provided an update on its cobalt-focused activities. A metallurgical test program on **Talga's** Kiskama IOCG deposit using drill-core from the Company's 2014 drilling has been completed. The results demonstrate no metallurgical impediment to the high recovery of cobalt along with copper and gold from Kiskama. **Talga** has completed four new diamond drill holes targeting two previously identified electromagnetic conductors at its Lautakoski project. Sulphide mineralisation was intercepted in all three drill-holes, along with broad zones of graphite breccia.

**Leading Edge Materials Corp** announced on June 19 results from the final six holes drilled at the Bergby lithium project. Results were again positive, and include two new near surface intersections that exceed 16 m in thickness at greater than 1% lithium oxide. The true thickness of mineralized intervals is interpreted to be approximately 90% of the sampled thickness. With this final set of drill data from the first drill program completed, mineralization is known to extend for more than 600 m along strike, and remains open in all directions. **Leading Edge Materials** announced on August 17 the commencement of a second drill program at Bergby. It is anticipated that it will be approximately 900 m of targeted drilling. **Leading Edge Materials** provided on September 14 an update on the Norra Kärr heavy rare earth element (HREE) project. Research culminated with the production of approximately 25 kg of mixed REE carbonate produced from a eudialyte concentrate, using a new and optimized hydrometallurgical flowsheet. In addition, this new process provided the opportunity for the efficient recovery of the metals hafnium and zirconium.

On July 24, **Mandalay Resources Corp** provided exploration updates. Dr. Mark Sander, President and CEO commented "At Björkdal, extensional drilling to the northeast and north of the mine demonstrated that the gold mineralized system extends several hundred metres beyond the current mine in those directions and is not yet closed off. As a result, we have demonstrated the potential to increase Mineral Reserves at Lake Zone underground and West Pit at surface. We have also made significant progress in understanding the distribution and characteristics of high-grade skarn mineralization that occurs both in the open pit and underground mines. Follow-up drilling is planned".

**Nordic Iron Ore AB** announced on July 13 an increase of the mineral resource at the Blötberget iron project. The total Measured and Indicated Resources estimated for the Blötberget Project at a cut-off grade of 25% Fe are, 55.1 Mt at a grade of 40.7 % Fe (Total) and 0.5 % P. Of these Measured and Indicated Resources, 54 % is magnetite and 46 % is hematite. The estimation of Mineral Resources has been prepared by **DMT Consulting Ltd** in compliance with the guidelines set out in the JORC Code.

## MINING NEWS

In an interim report for April-June, **LKAB** reported stable production and strong cash flow. The production volume amounted to 6.3 (6.1) Mt and deliveries to 6.6 (6.7) Mt for the second quarter. The supply of high quality pellets on the market remains low and **LKAB's** steel mill customers are demanding more iron ore pellets than contracted. The strategy to maximize pellet production remains in place and 84 percent of the quarter's total deliveries consisted of iron ore pellets.

**Lundin Mining Corp** reported on September 5 its Mineral Resource and Mineral Reserve estimates as at June 30. At Zinkgruvan, the zinc Proven and Probable Mineral Reserves have increased to 11.9 Mt at 7.2% Zn and 2.9% Pb and copper Proven and Probable Mineral Reserves have increased to 5.3 Mt at 1.8% Cu.

In a quarterly report for July-September, **Lovisagruvan AB** announced that four boatloads were shipped to **ZGH Boleslaw** in Poland by a total of 18 307 t during the quarter. Production was slightly better than plan with 10 888 t and stockpiles decreased during the quarter from 17 000 to 12 000 t. The delivery contract with **ZGH Boleslaw** has been extended for 2 years and is currently valid until the end of 2019.

In an Interim report for Q2 **Boliden** reports that Aitik's copper grade of 0.29% (0.22) was high and the milled volume was at record high of 10.4 (8.8) Mtonnes. The Boliden Area's milled volume continued to be high and this, coupled with a very favourable ore mix that yielded high grades, resulted in strong levels of metal production. Garpenberg posted a strong quarter partly due to less maintenance work than usual. Both milled volume and zinc production were high and on a par with last year.

## ENVIRONMENT AND SUSTAINABILITY

**SSAB, LKAB** and **Vattenfall** announced on June 28 that they have formed a joint venture company to continue to drive the HYBRIT initiative. The three companies will each own one third of the company, which will seek to develop a steelmaking process that emits water instead of carbon dioxide. This initiative is divided into three phases: a preliminary study up to the end of 2017, followed by research and pilot plant trials up to 2024. Finally, up to 2035 the plan is to perform trials in a full-scale demonstration facility.

**SGU**

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