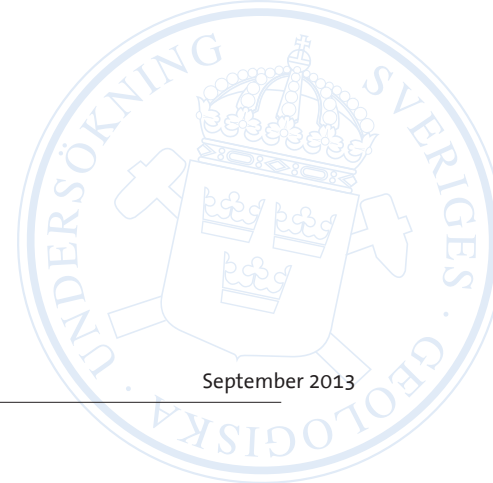


What's up in Sweden

## EXPLORATION NEWSLETTER

September 2013



### EXPLORATION NEWS

**Beowulf Mining Plc** announced on July 25 that the Company notes recent reports in the local media in Jokkmokk, concerning the test mining operations being conducted by its subsidiary, **Jokkmokk Iron Mines AB** (“**JIMAB**”), on a defined area of its Kallak North deposit. There are a limited number of protestors at the site who have sought to disrupt operations, however, **JIMAB** is continuing to make good progress with its fieldwork activities in full compliance with the terms and conditions of its various licences, work plans and its approved test mining permit which remains valid for two years from the date of works commencing. **Beowulf** provided on August 16 an operational update for **JIMAB**'s Kallak iron ore project. Highlights included: Initial winter/spring phase of the Kallak South drilling programme was completed in early June comprising 16 holes for a total of approximately 3,994 m. Planned summer/autumn phase currently targeting the completion of up to approximately a further 1,500 m of drilling prior to the scheduled expiry of the current work plan at the end of October 2013. Promising assay results received for the first six holes from the initial phase with over 2,000 m of drill core from a further 10 holes currently being logged and sections selected for analysis. Significant results include one inclined drill hole with a long intercept of 89.46 m at approximately 32.1% iron. A further 1.1 m section in the same hole returned the highest ever recorded iron content for a drill core section from the Kallak South deposit to date of 55.9% iron. Kallak North drill campaign progressing; two rigs currently in operation and approximately 1,166 m drilled to date covering six holes. Test mining programme on a defined area of the Kallak North deposit ongoing with blasting due to commence shortly.

**Avalon Minerals Ltd** announced on June 4 the first assay results from the Tjärro Prospect ca. 20 km to the northeast of **Avalon**'s Viscaria Project. One drill hole intersected 11.85 m at 0.4% copper and 0.2g/t gold from 91.15 m, including 2.85 m at 0.7% copper and 0.5g/t gold. The hole was drilled approximately 200 m along strike of historic drilling. The results from this drill hole and the historical drilling indicate that the Tjärro prospect contains copper and gold mineralization over hundreds of meters of strike and at shallow depths. On June 26, **Avalon** announced a Mineral Resource estimate upgrade at the D Zone Prospect on the Viscaria Project reported in terms of both iron and copper Mineral Resources separately in accordance with the guidelines of the JORC Code. Incorporating drilling information from the 2012-2013 winter extensional drilling programme as well as historical data deemed suitable for estimation, the new Mineral Resources for the D Zone

Prospect are reported as: 13.6 Mt at 1.00% Cu above a 0.4% copper cut-off grade, and is classified as being 5.1 Mt at 1.07% Cu Indicated and 8.5 Mt at 0.96% Cu Inferred; 25.6 Mt at 26.4% Fe at a cut-off above a 15% Fe Mass Recovery grade, and is classified as 11.7 Mt at 27.5% Fe Indicated and 13.9 Mt at 25.7% Fe Inferred. **Avalon** announced on May 6 that it had entered into a Binding Heads of Agreement (HOA) to acquire **Hannans Reward Ltd**'s Discovery Zone Prospect. **Avalon** acknowledges receipt of a formal demand dated 3 July from **Hannans**, pursuant to which it is alleged that the first \$2 million payment to be made by **Avalon** under the HOA is due and payable. **Avalon** is treating the matter seriously, but at this stage does not believe the money is due and payable as alleged by **Hannans** and intends to defend its' position. **Avalon** announced on July 9 the results of a Scoping Study completed on the Viscaria Project by **Xstract Mining Consultants**. The Scoping Study Open Pit Mining Scenario assessed the viability and potential value of the currently defined Mineral Resources on the Viscaria Copper Project with the addition of the Discovery Zone Mineral Resource.

**Flinders Resources Ltd** announced on September 3 positive results from its preliminary economic analysis (“PEA”) of the Woxna graphite project. A National Instruments 43-101 Technical Report for the Woxna PEA will be posted at SEDAR within 45 days following the news release. On August 13, **IGE Resources AB** announced that in a decision today, the Government dismissed appeals from among others Vapsten Reindeer Herding Co-operative regarding the Chief Mine Inspector's decision to grant the three exploitation concessions Rönnbäcken K nr 1-3 to **Nickel Mountain AB**.

On July 6, **Nordic Iron Ore AB** announced the submission of the environmental application to the Land- and Environment Court for the restart of the mines in Blötberget and Håksberg with a production of about 2.5 Mt of concentrates per year.

**Talga Resources Ltd** announced on July 22 new JORC compliant maiden Inferred Resource estimates totaling 123.6 Mt at 32.6% Fe<sub>mag</sub> at **Talga**'s Vittangi iron deposits. It arose from review of the historic drilling, geophysics and other data compiled by the **Geological Survey of Sweden**. The resource estimation was independently compiled by **CoxsRocks Pty Ltd**. Combined with **Talga**'s existing JORC resource at the Masugnsbyn iron project brings the Company's total Swedish iron resources to 235.6 Mt at 30.7% Fe<sub>mag</sub>. On August 26, **Talga** announced the updated JORC mineral resource estimate for the Company's Raitajärvi

flake graphite project. The indicated and inferred resource estimate for Raitajärvi now totals 4.3 Mt at 7.1% graphite when applying a 5% graphite cut-off grade, with 3.4 Mt at 7.3% graphite in the Indicated category.

**Tasman Metals Ltd** announced on August 14 results of the first phase of metallurgical testing on representative mineralization samples from the Olserum heavy rare earth element (REE) project. Magnetic separation and flotation tests completed by the **Geological Survey of Finland** in Outokumpu produced a mineral concentrate with REE recovery in excess of 90% within a concentrate mass between 6% and 7% of the original sample. This represents an increase in REE grade of approximately 14 times. A high grade magnetite concentrate was also produced as a by-product during testing.

On September 10, **Tumi Resources Ltd** announced the submission to the Swedish Mining Inspectorate of an application for a Mining Lease covering the Company's Sala Silver-Lead-Zinc project.

## MINING NEWS

**Boliden** reported in an interim report for January to June that the Aitik mine has produced a combined total of 34.7 Mt over the last four quarters. A higher volume of milled tonnage plus improved grades and yields resulted in increased metal production for all metals during the second quarter in comparison with both the first quarter of this year and the previous year. Production will continue in areas with low copper and gold grades until the end of 2014. The milled tonnage volume in the Boliden Area fell slightly, but higher zinc and silver grades plus improved yields resulted in higher production levels for all metals with the exception of copper. Copper production fell due to the fact that the Mauriliden Östra copper mine is now almost mined out. Garpenberg's production increased in comparison with the first quarter due to higher zinc and silver grades and high silver yields. Lower grades resulted in lower year-on-year zinc production levels.

**Dannemora Mineral AB** provided on August 26 an update on production and the current financial situation. Production and recovery from the Dannemora mine have been very positive this summer and better than expected; this was a result of the investment in June and the continual process improvement work. Recovery has been approximately 40%.

In a half year report **Dragon Mining Ltd** announced that the half year at the Svartliden Production Centre saw a significant increase in the mining rate, as both the open

pit and underground operations operated simultaneously. Open pit mining was completed in accordance with the mine plan in April 2013, with underground mining continuing until expected completion in Q4 2013. The high mining rate compared to the milling rate resulted in an increase in stockpiles, with the ROM stockpile increasing by 89,396 t and an increase in the marginal stockpile of 47,214 t. The current volume of stockpiled material at Svartliden is estimated to be sufficient to allow the Svartliden Production Centre to continue operations until Jan 2015. The company is currently pursuing options to further extend the operations of this production centre, including processing ore from sites currently under development and exploration, as well as other strategic alternatives.

On August 12, **Elgin Mining Ltd** reported its financial and operational results for the three months ended June 30. Gold production for Q2-2013 was 12,343 ounces which was 23%, or 2,309 ounces, higher than Q1-2013 gold production due to a 16% increase in head grade and a 9% increase in ore tonnes processed, offset by a 3% drop in the plant's recovery rate. The higher head grade in Q2-2013 was driven primarily by the processing of a greater proportion of underground ore in place of lower grade stockpile and open pit ore, and by better open pit ore grades realized. Cash cost per gold ounce produced for Q2-2013 was US\$1,134, which was 16%, or US\$214, lower than Q1-2013 cash cost per gold ounce produced of US\$1,348 due to a 16% increase in head grade, a 4% decrease in per ore tonne operating costs, and a 2% weakening of the SEK against the USD.

In an interim report for the second quarter **LKAB** reported deliveries for the period totalled 5.8 (5.6) Mt, of which 5.0 (4.6) Mt were pellets. Production of iron ore products in the Mining Division amounted to 5.7 (5.8) Mt in the second quarter. Stocks amounted to 1.0 (1.9) Mt at the end of June. On July 3, the Land and Environment Court issued a separate judgment on the execution authorization for Mertainen, which meant that the company could undertake preparatory work. On 8 August, the Land and Environment Superior Court ruled to inhibit the execution authorization for Mertainen, which meant that **LKAB** immediately halted the ongoing preparatory work.

On July 30, **Lundin Mining Ltd** presented Second quarter Results. At Zinkgruvan, zinc production for the quarter improved to 18,599 t but continued to be negatively impacted by changes in mine sequence resulting in lower head grades and recoveries. Lead production was 10,461 t during the quarter.

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