

What's up in Sweden

## EXPLORATION NEWSLETTER

November 2014



### EXPLORATION NEWS

**Avalon Minerals Ltd** announced on July 22 the results of a review of all metallurgical test work completed on the Viscaria Copper-Iron Project to date. **Ausenco Services Pty Ltd** conducted this test work review during Q2. Overall, mineralisation from the A Zone, B Zone and D Zone prospects responded well to conventional mineral processing methods. Flotation test work achieved 94% copper recovery for D Zone at 26% Cu grade and 80% copper recovery for A Zone and B Zone at concentrate grade of 23% Cu. Magnetic separation tests on D Zone float tails for magnetite beneficiation produced a concentrate grade of 70% Fe with low impurity levels. **Avalon Minerals Ltd** announced on August 28 the results of an update to the Viscaria Copper-Iron-Project Scoping Study. **HDR Salva Pty Ltd** conducted the update. It incorporates the recently announced upgrade to the Discovery Zone Mineral Resource and JORC 2012 revisions for the A zone, B Zone and D Zone Mineral Resources, as well as revisions to assumed capital costs and commodity prices.

**Gungnir Resources Inc** provided on September 3 an update from its gold properties at Knaften and Nordanås. Initial work consisted of prospecting and rock sampling on the Knaften property. New results are highlighted by an 8.52 g/t Au boulder discovery within a developing 8 km long Au-As-(Mo) geochemical-magnetics trend. The high grade boulder is believed to be locally-derived based on its size and angularity. On October 28, **Gungnir** announced the discovery of additional gold-arsenic mineralized boulders proximal to the earlier reported 8.52 g/t Au discovery.

**Beowulf Mining Plc** announced on October 2 a response from the County Administrative Board to the Mining Inspectorate in regard to **Beowulf's** application, which included an Environmental Impact Statement by the Company, for an Exploitation Concession. The County Administrative Board believes that the effects of the possible transport routes, from the future mine through areas used for reindeer husbandry, located approximately 80 km from Kallak, could be detrimental and that the Exploitation Concession should therefore not be granted at this time. **Beowulf** contends that the issue of evaluating future transport routes is not a task for the Mining Inspectorate when deciding if an application for an Exploitation Concession should be granted. Transport issues are typically addressed later in the permitting process by an Environmental Court. **Beowulf** remains convinced that mining and reindeer husbandry can coexist in the area and is hopeful that the Mining Inspectorate will grant an Exploitation Concession after reviewing **Beowulf's** further submission. **Beowulf** reported on October 6, its findings based on latest assays received and following completion of its 2014 Kallak

drilling programme. Some of the highlights are as follows:

- High grade assays have been returned for one drill-hole showing an average grade of 52.87% Fe over an intersection of 36.35 m, including 55.65% Fe over 16.68 m.
- Including the intersections above, the high grade intersection runs almost 90 m averaging 42% Fe, starting approximately 245 m below surface.
- The drilling results show that for this part of Kallak South the mineralization is mostly comprised of massive hematite, dipping towards the southeast and remaining open at depth.
- Assays were also returned for Kallak North, one drillhole showing an average grade of 26.35% Fe over an intersection of approximately 300 m, starting near surface, and including four separate 10 m intersections with grades ranging between 31% and 41% Fe.

**Tasman Metals Ltd** announced on July 9 the precipitation of a heavy rare earth element (REE) rich concentrate as part of the hydrometallurgical testwork program underway on the Norra Kärr heavy REE project. Preparation of this concentrate is the final step in defining the Norra Kärr flowsheet, and marks a milestone in the Company's metallurgical programs.

**Tertiary Minerals plc** announced on July 2 the submission of the Storuman Exploitation Permit application and provided an update on further progress for the Storuman Fluorspar Project. Further results for the Preliminary Feasibility metallurgical testwork have been received and additional optimization work is ongoing. Scoping of processing and mine development plans are underway in order to focus on further elements of the Preliminary Feasibility Study.

**Botnia exploration AB** announced on June 18 a resource estimate for the Fäbodtjärn gold deposit in the Vindelgransele area, where gold occurs in a quartz vein in the contact between diorite and metasediment. The inferred Mineral Resource of 210 Kt grading 7.1 g/t gold at a cut-off at 0 g/t was estimated by **GeoVista AB**. On September 18, **Botnia** announced a final report from **LTU** on mineral processing of samples from the Fäbodtjärn deposit. By gravimetric processing only, a recovery rate of gold of 90% was obtained.

**Grängesberg Iron AB** announced on September 29 the reception of a NI 43-101 Technical Report from **Roscoe Postle Associates Inc (RPA)** showing a compliant resource

estimate for the Grängesberg Mine. **RPA** concluded that the Grängesberg iron ore deposit hosts a significant iron resource that has excellent potential for expansion at depth. Geophysical interpretations from the 1960s suggest that the ore body continues to at least 1,700 m below surface. Diamond drill holes confirm the mineralization continues to at least 1,100 m to 1,200 m below surface.

**Boss Resources Ltd** announced on August 28 assay results from the drilling programme at the Skogträsk Ni/Cu Project comprising two holes for a total of 500 m. Both drill holes hit disseminated and stringer sulphide mineralisation, with significantly thicker mineralisation encountered in one hole averaging 20.3 m @ 0.3% Ni, 0.2% Cu and 0.02% Co at the down hole depth from 111 m to 131.3 m.

Downhole TEM indicates mineralisation in this hole is continuous with historic mineralisation and extends at least 100 m to the west, plunging to the WNW and getting thicker at depth.

**Talga Resources Ltd** announced on October 9 the completion of its scoping study on the Vittangi graphite and graphene project, targeting dual production of ~46,000 tpa graphite and ~1,000 tpa graphene over approximately 20 years.

## MINING NEWS

**Flinders Resources Ltd** provided on August 6 an update on the final stages of restarting graphite production at the Woxna mine and processing facility. The plant restart was completed last month and operations commenced in July.

In the Q3 Interim Report **Boliden** announced that mining at Aitik took place in areas with low copper and gold grades. The milled tonnage volume was 9.5 Mt, corresponding to an annual rate of 38 Mt. The milled tonnage volume fell short of the record production level achieved in the previous quarter, but was still slightly higher than in the previous year. Production of metal in concentrate fell in relation to both comparison periods, primarily as a result of lower grades and yields. A change in the ore mix in the **Boliden** Area resulted in a higher milled tonnage volume and higher levels of zinc production but a fall in copper production levels. At Garpenberg, the ramping up of production at the new facility continued. Ore stocks were built up during 2013, prior to the facility coming on line, and were partially consumed during the quarter. A higher milled tonnage volume resulted in higher levels of metal in concentrate production. The milled tonnage volume is expected to total 2.1 Mt for 2014 as a whole. By the end of 2015, this figure is expected to rise to 2.5 Mt.

In an Interim report for January-September **Dannemora**

**Mineral AB** reported that drilling and the construction of tunnels for future mining operations ceased temporarily on 15 September in order to reduce the company's liquidity needs. This meant that the company did not need any bridge loan during the period. As these are measures for the future, this does not have an impact on the company's ability to produce and deliver iron ore during the reorganisation period.

**Dannemora** expects that this temporary stoppage is possible without having any effect on future deliveries. The company estimates that the current price level is sufficient to run a profitable mining operation, provided that the necessary investments are completed.

**Elgin Mining Inc** reported on August 12 its financial and operational results for three and six months ended June 30. Gold production in H1-2014 totalled 22,910 ounces at a per ounce cash cost of \$1,019 and per ounce AISC (all-in sustaining costs) of \$1,237 on a gold produced basis. The Company anticipates increased underground gold production in the second half of 2014 from improved labour and equipment productivity, and from higher head grades. These changes will have a positive effect on the Company's reported gold production costs for the last half of 2014. On September 10, **Mandalay Resources Corporation** and **Elgin Mining Inc** announced the completion of the acquisition of **Elgin** by **Mandalay** by way of a court-approved plan of arrangement.

In an interim report for Q3, the CEO for **LKAB**, Lars Eric Aaro commented "demand for **LKAB**'s products remained strong during the quarter. Deliveries of iron ore products totalled 6.7 (6.8) Mt. Production decreased by six percent to 6.3 (6.7) Mt. The decline is due partly to production disruptions in the haulage chain in the underground mines and partly to the effects of severe summer thunderstorms that impacted availability in mines and processing plants". "Construction of the mine in Mertainen is underway and production is scheduled to start by late 2015."

**Lovisagruvan AB** announced in a third quarter report that ore deliveries for the first three quarters was 28,276 t and near equal to deliveries for the same period last year.

On October 29, **Lundin Mining Ltd** announced in a third quarter report that zinc production of 20,050 t at Zinkgruvan was higher than the comparable period in 2013 due to a third consecutive quarter of record mine production of zinc ore. Lead production of 6,531 t met expectations but was below the comparable period in 2013 primarily due to lower head grades.

**Northland Resources S.A.** announced on October 7 that its operations will be halted indefinitely, as a consequence of the Company's constrained liquidity. For the same reason, the Company is forced to give most of its employees a notice of termination.

**SGU**

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