EXPLORATION NEWSLETTER

Drake Resources Ltd announced on April 12 of a widespread nickel-copper mineralisation intersected on its Granmuren Prospect in the Bergslagen District. Key intersections in one hole was 16.6 m at 0.47% Cu, 0.30% Ni and 0.03% Co from 48.7 m. In a second hole 42.3 m at 0.26% Cu, 0.26% Ni and 0.02% Co from 34.6 m within a broad intersection of 97 m at 0.17% Ni, 0.17% Cu and 0.02% Co. A total of five diamond drill holes were completed. The holes were targeted on shallow coincident electromagnetic and magnetic anomaly.

On April 12 Gold-Ore Resources Ltd reported diamond drilling results from the underground unit of the Björkdal Gold Mine. This drilling has identified a significant new gold zone in an area where there has been no previous drilling. This new zone hosts numerous well mineralized veins and remains open to further expansion. The new zone is at the same level and adjacent to areas of active mining. The area lies outside of the underground reserves and the engineering department is completing a reserve estimate. The zone has been tested over an area 250 m by 300 m and remains open to expansion in several directions.

Botnia exploration AB announced on February 6 that Dragon Mining Ltd has subsequently moved to the first earn-in phase of the Harpsund Joint Venture. Encouraging results were received from a 14 hole, 403 m campaign of shallow reconnaissance drilling at the Sjöliden target, in the central portion of the Harpsund area. This programme was designed to test an area where grab sampling of outcrop material returned elevated gold values ranging up to 9.6 g/t gold. Analytical results returned a best intercept of 2.0 m at 14.03 g/t gold, within a broader anomalous gold zone that averaged 1.54 g/t over 20 m. On March 5, Botnia presented the first analyses of drillcore from a drilling programme that commenced last winter in the Vindelgransele area in Västerbotten. Several intercepts from Fäbodliden A and C with interesting gold grades were presented. Drillcore with visible gold in quartz veins was confirmed.

Orex Minerals Inc announced on February 22 the results from the first diamond drill hole of this first campaign, within the Central area of Barsele Gold Project. The purpose of this initial drill hole was to confirm historic results and to assess different analytical techniques that could yield higher gold recovery, as there is a potential “nugget effect” due to visible gold occurring frequently in the core. Full Metallic Screen (FMS) Assay as well as Fire Assay (FA) techniques have been carried out with the following results. Over comparable intervals were 186.65 m at 0.96 g/t Au with FMS and 0.90 g/t Au with FA for the Orex hole, comparing favourably with 186.1 m at 0.91 g/t Au for the historic hole. Furthermore, the Orex hole drilled deeper than the historic hole yielding a total mineralised length of 275.55 m at 0.87 g/t Au with FMS, and 0.81 g/t Au with FA, and includes a higher-grade section of 198.9 m at 1.15 g/t Au with FMS, and 1.07 g/t Au with FA and including highlight intercepts of 19.3 m at 2.53 g/t Au with FMS and 2.25 g/t Au with FA, plus 48.55 m at 2.01 g/t Au with FMS and 1.87 g/t Au with FA. On March 14, Orex announced the results from the second deep diamond drill hole in the Barsele Gold Project, yielding a total length of 290.75 m grading 1.01 g/t gold by FMS and 0.92 g/t gold by FA, starting 20 m vertically below surface. Higher grade intervals, including 68.00 m grading 1.21 g/t gold by FMS and 1.14 g/t gold by FA from 67.60 m to 135.60 m, plus 69.10 m grading 2.06 g/t gold by FMS and 1.81 g/t gold by FA.

On March 5, Scandinavian Resources Ltd provided an update on activities carried out by its wholly owned subsidiary Scandinavian Resources AB (SRAB) at its Särksjön Project located approximately 120 km west of Vilhelmina. In 1965 four shallow diamond drillholes were completed. The holes were not assayed for gold at the time. One of the holes is kept in archive at the SGU core archive facility in Malå, and has recently been re-logged, sampled and cut by Scandinavian Resources’ staff. Results received from re-assaying of historic drill core were 7.09 m at 2.54 g/t Au from 10.81 m and another section with 0.83 g/t Au at 3.93% Pb, 1.34% Zn and 0.26% Cu from 15.54 m. The assay results confirm the high grade gold and multi-element mineralisation returned from outcrop sampling completed in 2010 by SRAB. In 2011 SRAB completed a FLTEM survey and an IP survey at Särksjön both of which returned conductive anomalies.

On April 2, Tertiary Minerals Plc announced that preliminary feasibility stage metallurgical testwork has been progressing on both the Upper and Lower mineralised zones at the Storuman Fluorspar Project. Results have been obtained from the Upper Zone where fluorspar meeting the above acid grade chemical specifications has been produced with very high recoveries (90-90%). Work is currently focused on the Lower Zone where good recoveries have been obtained at a finer grind size and where current work aims to improve recovery at coarser product sizing.

Flinders Resources Ltd announced on March 2 that Flinders has commenced the first diamond drilling programme at its Kringle Graphite Project in central Sweden. The Project has an historic resource estimate of 6.9 Mt containing 8.8% graphite. A drilling programme of 35 holes for 2,500 m is planned to upgrade the historic resources.
and produce a NI43-101 compliant resource at the main Kringel deposit.

Avalon Minerals announced on April 23 that the first drill hole of a five hole drilling programme testing for extensions of high-grade copper mineralisation at the A and D Zone Mineral Resources at the Viscria Project has been completed. The drill hole intersected 17 m (down hole intersection) of copper mineralisation from 451 to 468 m.

Grängesberg Iron AB announced on April 11 the outcome of the Pre-Feasibility Study (PFS) on its iron ore mine project in Grängesberg, Bergslagen District. The study proves the project to be robust and clearly economically feasible. The Life of Mine, based on the current mineral reserve as defined in the PFS, is 16 years. The first production is planned for Q4 2015. On behalf of Grängesberg, the PFS has been performed by the independent global engineering firm URS Corporation, with contributions by other consultant companies and suppliers. The PFS has been performed according to the NI 43-101 regulations. The mining schedule comprises a yearly production of 2.5 Mt of iron ore products.

On March 22 Kopparberg Mineral AB presented a JORC compatible resource estimate for the Håkansboda copper project in Bergslagen District. Based on a drilling campaign completed last summer and older data an indicated resource of 629 K t at 1.4% copper and 0.4 g/t gold has been established. In addition, an inferred resource of 1.485 Mt at 1.5% copper and 0.3 g/t gold has been identified.

On April 16, Wiking Mineral AB announced that a Preliminary Economic Assessment of the Vindfall Zn-Pb-Ag deposit in the Bergslagen District has been completed by AF. A JORC compliant indicated resource of 313 Kt at 54 g/t Ag, 0.3% Cu, 8.3% Zn and 2.9% Pb was estimated. The PEA demonstrates the potential for profitability.

Tasman Metals Ltd announced on March 21 results from the NI 43-101 Compliant Preliminary Economic Assessment (PEA) of the Norra Kärr heavy rare earth element and zirconium project. The PEA was completed by leading independent mining consultants “Pincock, Allen & Holt” (PAH). The deposit was analysed based on a recoverable resource of 58.1 Mt grading 0.59 % Total Rare Earth Oxide and 1.70 % ZrO2, in the inferred and indicated categories. This resource provides for a greater than 20 year mine life, however if the entire deposit were to be included at the current estimated processing rate, the project would have a mine life of approximately 100 years. Based upon the total capital cost estimate of CA$290 million over a 1.5 year construction period, the before tax NPV at 10% discount rate as determined by PAH is CA$1,464 million. Payback on the project is within 3 years from the start of production.

On March 19, Northland Resources AB provided an operational update for the Kaunisvaara project. The schedule for the project remains unchanged with the start of production from the Tapuli Mine during fourth quarter of 2012 and with shipments in first quarter of 2013.

MINING NEWS

On February 22, Dannemora Mineral AB announced that the Dannemora iron ore mine’s life expectancy has increased by approximately 2 years to 15 years compared with the previously estimated life of 13 years. At planned production of approx. 1.5 Mt of iron ore products per year, Dannemora’s cash cost, is estimated at SEK 265 per tonne of finished product. This corresponds to just under USD 40 per tonne at the current dollar exchange rate (SEK 6.65).

NEWS FROM THE MINERAL INFORMATION OFFICE

In March, Lisbeth Hildebrand resigned as head of Mineral information office in Malå. Acting head of the office is now Jan-Olof Arnbom. Lisbeth is remaining with the staff in Malå. End of April, Jan-Anders Perdahl and Robert Berggren resigned from the office. Jan-Anders will continue as exploration geologist for Mawson Resources Ltd and Robert will remain with SGU, working from the office in Luleå. The vacant positions will be advertised here: http://www.sgu.se/sgu/sv/om_sgu/arbeta_SGU/lediga_tjanster.html

The drillcore archives in Malå will be closed the two last weeks in July and the first week in August.

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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