

Statement from the qualified person in Nordic Mines.

Technical report written by Peter Kuiper, appointed by SveMin as a qualified person and employed by Nordic Mines as Head of Develoement.

## TEST DRILLING

The calculated mineral resources at the Laiva deposit are based on 61,894 drilling meters from 406 drill holes. Of this, 48,445 meters have been diamond core drilled from 314 drill holes and the remaining 13,449 meters RC-drilled from 92 drill holes. The material covers all drill holes drilled up till February 2009. The full calculated mineral resources have been based on analyses of mainly diamond core drilling (48,445 meters), and to a lesser extent (13,449 meters) on drill cuttings from RC-drilling.

The density of the drilling varies over the ore, from the more densely drilled parts with a distance between the holes of 25x25 meters or even closer, with 25 meters between the profiles and 25 meters between the holes of the profiles, to the less densely drilled parts, where the distance between the profiles and holes are 50-100 meters. The measured mineral resources are calculated over a volume where the density is 25x25 (30) meters between the profiles and drill holes, respectively, The indicated mineral resources have a somewhat lower level of information and are calculated with a density between the holes of between 50x30 and 50x50 meters. The inferred mineral resources are calculated over volumes where the density between the drill holes vary from 50x30 up to 100x60 meters.

## CALCULATION MODEL

The measured, indicated and inferred mineral resources have been calculated using the Kriging method in a block model. The calculations have been performed by Malcolm Titely at CSA Global Pty Ltd. Malcolm Titely is qualified person (QP) according to CIM and National Instrument 43-101. The mineral resources model has been developed by defining gold mineral zones in all drill holes, according to cut-off contents, 0.5, 0.8 and 1.0 grams gold/ton. Only zones covering at least 3 meters along the drill holes have been included in the calculations.

The gold mineralization at Laiva is defined by seven domains, which in turn, are defined by changes in the average orientation of the gold carrying structures. A block model was created, where each block measures 12.5x2.5x5 meters (length x width x height). Blocks within the gold mineralization were defined in 3-D modelling by calculating the probability that the block has a gold content that equals or exceeds the cut-off content. This calculation model was applied to all three cut-off contents.

Variogram were used to define the correct parameters for calculating the contents. The gold content has been calculated using Ordinary Kriging for each cut-off content. High gold contents, above 30 grams/ton, have been down adjusted to 30 grams/ton. After calculating the contents, the models are combined to create a model with 0.5 grams/ton as cut-off. The density of the rock species is defined through measuring the diamond cores. The calculations have been classified as measured, indicated and inferred according to guidelines specified in the JORC-code. The Kriging variance, in combination with the distance between the drill holes, have been used to define the classification borders between measured, indicated and inferred mineral resources.

## PRODUCTION VOLUME AND MINE DESIGN

Within the borders for measured and indicated mineral resources, the optimal open cut volume has been defined through Whittle optimization, the leading international standard for the optimization of open cut mines. The calculation has been based on a gold price of 535€/oz, which is around 35 percent lower than present levels (830€/oz) .

Whittle optimization includes all influencing factors, such as costs affecting the mining production, the gold price, the technical parameters which decide the production, expected ore loss and dilution for the selected production method.

Based on Whittle optimization, CSA/LQS have created a mining plan, including mine layout and ramps. It is the mineral resources of this production plan that have now been reclassified as ore reserves.

## ANALYSES OF DIAMOND CORES

The diamond cores are sawed lengthwise, half of it sent for analysis and the rest kept for reference. The analyses are based on one-meter sections. If some part of the diamond core has not been analysed, the gold content has been defined as zero.

Up until 1986, assays of diamond core were performed by Outokumpu at the company's own laboratory. After 1986, diamond core assays has been performed at the Finnish State Laboratories (GTK) and at ALS Chemex' laboratories. GTK's test assays and analysis is performed according to the following routine: Drying of the sample at 70°C, crushing in a jaw crusher, pulverising, then a 50 g fire assay, with the assay of gold by ICPAES method. ALS Chemex sample preparation and assay follows this schedule: Drying of sample at 100–110°C, crushing to 70 % < 2 mm, split to 250 grams, pulverising, 50 grams assay according to Au-ICP 22. The account of the different classes fulfil the requirements of the internationally adopted standards the JORC code and NI 43-101.

For further information, please go to "Technical reports" on [www.nordicmines.se](http://www.nordicmines.se).

Peter Kuiper

By SveMin and FAERI appointed qualified person

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**Whittle parameters for calculation of optimal open cut mining at a gold price of 535 €/oz**

Overall slope angle of the open cut mine	55°
Ore to the processing plant	2 million ton/year
Gold recovery varies with grade from	78% for 0.5 grams /ton 87% for 3.0 grams/ton
Dilution	10%
Ore loss	10%
Gold price	535 €/oz
Sales cost	0.12 €/oz
Production cost	1.95 €/ton
Processing cost	5.99 €/ton

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**Production cost** **€/ton**

Loading and transport	1.04
Drilling and blasting	0.40
Grade control	0.18
Dewatering	0.13
Ancillary cost	0.12
Ground support	0.05
Rehab. (Waste dumps)	0.02

**Total production cost** **1.94**

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Added is MCAF (Mining Cost Adjustment Factor, which describes the increased costs of transports from lower levels)

€/ton/m

Increased cost per meter of depth 0.003

Added is PCAF (Processing Cost Adjustment Factor), which describes increased costs for ore mining, compared to waste mining

€/ton

Increased cost for ore mining 0.12

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**Processing cost** **€/ton**

Processing cost	5.33
Grade control cost.	0.20
Overhead costs Laiva	0.46

**Total processing cost** **5.99**

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**Reloading cost for ore from deposition to crushing mill** **€/ton**  
0.64