

ARCTIC GOLD



Reopening of the Bidjovagge gold-copper mine



Arctic Gold

Arctic Gold AB, a Swedish company working in northern Norway with the reopening of the Bidjovagge gold-copper mine.

Arctic Gold has during 2010 identified gold-copper resources for five years of planned production in a new processing plant to be decided about in 2013. The company recently completed a financing of 3.5 million US dollars. These funds will be used to further increase the resources. The target is to reach resources sufficient for 10 years of production. The process to obtain necessary permissions is in progress and is not expected to be problematic since Bidjovagge is an old mining site and the tailings dam still exists.

Company story

Arctic Gold started in 1999 under the name of Alcaston Diamond Exploration and was then under Australian ownership. The focus was on exploration for diamonds in Sweden and the work went on for some years resulting in the finding of indicator minerals for kimberlitic rock types. However, financing was difficult and the ownership was transferred to Sweden, where the company transformed into a gold and base metal exploration company. Investments were made in several areas in northern Sweden and some attractive gold targets were found.

In April 2010, Alcaston purchased the company Arctic Gold and the Bidjovagge project, after which focus has been on exploration and mine development work in Norway. The name Arctic Gold has now been adopted by the parent company.



Lars-Åke Claesson
CEO Arctic Gold

Bidjovagge project

Bidjovagge is situated in the municipality of Kautokeino which has some 3,000 inhabitants. Closest town is Alta, some 130 km to the north by the coast of the North Sea.

The Bidjovagge ore field contains more than 10 individual ore bodies with different amounts of gold and copper. It is hosted by the Early Proterozoic Kautokeino Greenstone Belt and can be traced for some 10 km in northern Norway. Total tonnage of historic production from Bidjovagge is 6,486 kg of gold and 30,317 tons of copper.

The ores of Bidjovagge are believed to be of epigenetic type. The copper ores originally found and mined follow graphitic felsites while the gold ores many times occur in albite-carbonate altered rocks of different settings, sometimes together with copper ore

but the more rich types occur with tellurides in highly altered felsites. Gabbroic intrusions occur in several generations.

In the 1950-ties the Swedish company Boliden was exploring for copper after the first findings by local Samish people. Several Norwegian companies continued exploration work and in year 1970 the Norwegian company Bidjovagge Gruber A/S (later purchased by Sydvaranger A/S) started production mainly from copper rich ore. The production ended in 1975 and was restarted in 1985 by Finnish company Outokumpu which made substantial profits for several years until operations were ended in 1991. Gold prices were then low and the company decided to walk away.

Remaining ore reserves were estimated by Outokumpu to some 788,000 tons with 4.0 gram per ton gold and 1.49 % copper when



they closed down the production in 1991. Later Canadian company Hendricks estimated mineral resources to some 837,000 tons with 4.35 gram per ton gold and 1.44 % copper, plus resources in stockpiles with 325,000 tons with 2.11 gram per ton gold and 0.64 % copper derived from marginal ore during earlier production periods.

In Dec 2010, Arctic Gold published an estimate of the in situ Mineral Resources made by Finnish Outotec which included 1.36 million tons of indicate resource with 2.74 grams per ton gold and 1.21 % copper and an inferred resource of 30,000 ton with 2.2 grams per ton of gold and 1.1 % copper.

In addition to this, Arctic Gold has verified the existence of 300,000 tons in stockpiles with 1.79 gram per ton gold and 0.60 % copper.

Results from a Scoping study published in Dec 2010 indicates five years of profitable production provided the estimated mineral resource can be transformed into an ore reserve of 1.77 million tons and using metal prices from Dec 2010 a NPV (Net Present Value) of 77 million US dollars is calculated at 5 % interest rate.

Investments in mine, plant, electricity, water, reparation of road etc. is estimated to 350-400 million SEK (50-60 million USD).

Plans

Arctic Gold has planned for a 350,000 ton per year production using crushing, milling and flotation to achieve a gold rich copper concentrate which could be sold with good profit to smelters.

The company has planned for drilling of 8,000 meters during 2011. A prefeasibility study will be completed during the year with a first estimate of ore reserves.

The first part of an application for exploitation permit from the Norwegian Mining Inspector has just been filed and work continues to complete this during 2011. Beside this permit an Environmental Impact study has just started.

Other targets

Arctic Gold will continue the exploration on some highly prioritized targets in Sweden as well, but with a smaller part of the overall exploration budget. Some geophysics and drilling for bedrock chip sampling is planned for during 2011

Highest priority is given to the gold targets at Björklidberget and Nilsliden in Västerbotten County, northern Sweden.

From past years, Arctic Gold has an extensive data bank of results from diamond exploration in Sweden and is currently looking for a purchaser or a partner to this special project.



For more information

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