Lappland Goldminers AB

Press Release *Lycksele, July 5, 2010*

Strategic update and first report from the Fäboliden feasibility work.

The new mineral resource estimate for Fäboliden forms the basis of open pit optimisation and studies into options for underground mining. The ongoing feasibility studies will seek to establish the optimum mining rate and extraction of payable ore.

The Fäboliden gold mineralisation is a central part in the strategy for Lappland Goldminers to develop as a major gold producing mining company in Europe. Golder Associates, a renowned international consulting company, has finalised their review of the mineral resource estimate which will, together with capital investment and operating costs, form the basis of a new ore reserve calculation which will be reported on in the feasibility study.

The updated resource estimate shows that the measured and indicated mineral resource at a cut-off grade of 0.4 grams of gold per tonne amounts to 57.8 million tonnes with 1.05 grams of gold per tonne and 2.81 grams of silver per tonne. In addition there is an inferred mineral resource of 32.4 million tonnes with 1.04 grams of gold per tonne and with 3.37 grams of silver per tonne. As shown in Table 1, both tonnage and gold grades in the measured and indicated mineral resource are lower than previously reported estimates.

Golder Associates has also estimated the measured and indicated mineral resources at different cut-off grades as shown in Table 2. This shows the variations of gold and silver grades and tonnages with varying cut-off grades.

The lower gold grade in the measured and indicated category at a cut-off of 0.4 grams of gold per tonne impacts the future circumstances for profitable mining and will be dependent the future level of the gold price expressed in SEK. The feasibility study will therefore need to consider cut-off grades appropriate to the mining methods now under consideration. This means selective mining of higher grade portions of the mineralisation will be investigated that may result in lower production rates and plant throughputs and a shorter mine life.

If the current high gold price (about 300 SEK per gram) persists, it will have a positive impact on the study.

The updated mineral resource estimate has led to a need to consider alternative selective underground mining methods and the need to define a new production optimum. As a result of these additional studies, the feasibility study is now due to be completed in the second quarter of 2011.

Table 1. Mineral resources in Fäboliden calculated with a cut-off of 0.4 grams of gold per tonne.

Category	2010 Tonnage (million tonnes)	2010 Au grade (grams per tonnes)	2010 Amount Au metal (oz)	2008 Tonnage (million tonnes)	2008 Au grade (grams per tonne)	2008 Amount Au metal (oz)
Measured	30,86	1,09	1 082 000	24,96	1,26	1 010 000
Indicated	26,90	1,00	870 000	36,06	1,18	1 363 000
Measured + Indicated	57,77	1,05	1 952 000	61,02	1,21	2 373 000
Inferred	32,42	1,04	1 084 000	9,53	1,21	370 000

Analysis are made by ALS Chemex with Fire Assay, ALS Chemex code AA-Au26 or AA-Au15 and with Aqua Regia, ALS Chemex code ME-ICP41. Older holes are analysed by SGS laboratory with Fire Assay, SGS code FA30 and FA50 and Agua Regia, SGS code ICP70. The earliest drilled holes were analysed by Boliden Mineral laboratory.
The mineral resource estimate has been carried out by Mr. J. Alvarez, Ms. A. Harrison and Ms. F. Jones (Golder Associates (UK) Ltd) and examined by Dr. B. Shaw and Mr. A. Miller (Golder Associates Pty Ltd). Mr. J. Alvarez is a Competent person (CP) in accordance with the JORC-code.

Table 2 . Measured and indicated mineral resources calculated with the cut-off of 0,40, 0,60, 0,80, 1,00, 1,20, 1,50, 1,60 och 1,80 och 2,00 grams of gold per tonne.

Category	**"Cut-off" Au (grams per tonne)**	**Tonnage (million tonnes)**	**Au, (grams per tonne)**	**Ag, (grams per tonne)**	**Amount of Au, (grams)**	**Amount of Au, (oz)**
Measured + Indicated	0,40	57 768	1,05	2,75	60 533 000	1 952 000
Measured + Indicated	0,60	40 584	1,28	3,19	52 037 000	1 678 000
Measured + Indicated	0,80	29 443	1,51	3,45	44 368 000	1 430 000
Measured + Indicated	1,00	21 447	1,74	3,61	37 254 000	1 201 000
Measured + Indicated	1,20	15 732	1,97	3,57	30 999 000	999 000
Measured + Indicated	1,40	11 283	2,24	3,48	25 241 000	814 000
Measured + Indicated	1,50	9 373	2,40	3,47	22 476 000	725 000
Measured + Indicated	1,60	8 046	2,54	3,45	20 420 000	659 000
Measured + Indicated	1,80	5 759	2,88	3,39	16 560 000	534 000
Measured + Indicated	2,00	4 382	3,18	3,34	13 950 000	450 000

Fäboliden Mineral Resource Estimate June 2010.pdf

The efforts to increase the ore reserves continues in Pahtavaara.

Pahtavaara mine, where Lappland Goldminers has ongoing gold production, is located in the municipality of Sodankylä in Finland. The area is considered to have great potential to host additional gold mineralisation's that could be mined and sent to the company´s concentrator. The shallow parts of the Länsi mineralisation, located immediately adjacent to the existing mine, has been drilled and investigated with 31 core drill holes and 13 reverse circulation holes (totally 4 700 meter). Measured and indicated mineral resources are estimated to 60.0 thousand tonnes with 2.97 grams of gold per tonne (Table 3). The estimate is carried out by T. Lindholm (GeoVista AB) that is an independent consultant and qualified person (QP), according to the Svemin, the FinnMin and the JORC codes for reporting.

Table 3. Länsi mineral resource.

Category	Tonnage, (thousand tonnes)	Au, (grams per tonne)	Amount of Au, (grams)	Amount of Au, (oz)
Measured	25,3	3,52	89 230	2 869
Indicated	34,7	2,57	89 171	2 867
Sum	60,0	2,97	178 401	5 736

Analyses are made by Labtium Oy that is accredited by FINAS (T025). The samples are analysed with Fire Assay, Labtium code 705A and with Aqua Regia ICP, Labtium code 511P.

Estimate of Länsi mineral resource June 2010.pdf

The Länsi mineralisation is still open towards northwest and towards depth. A drilling program comprising 6000 meter, where the majority is drilled in the Länsi area, has started in June to investigate the mineralisation further.

Continued core drilling at Ersmarksberget

During the fourth quarter of 2009, a drilling program was resumed to investigate the previously identified Central and South One gold mineralisation´s at depth. Within the current mining concession, fourteen core drill holes were drilled (3 400 meter). The analyses from eight holes aimed at Central and from two aimed at South One, are available for disclosure (Table 4). The results so far indicate that further drilling is required towards depth in Central mineralisation. South One mineralisation has been extended and is still open to the south. An additional drill program comprising of 3 000 meter core drilling has been started during May 2010.

Tabell 4. Results Ersmarksberget

Hole ID	Mineralization	Northing (RT90)	Easting (RT90)	Elevation (m above sea level)	Azimuth (deg)	Dip (deg)	Hole length (m)	From (m)	To (m)	Width (m)	Au_ppm (g/t)	Comment
ERS2009038	Central	7250663,06	1563776,64	492,33	98,50	48,90	271,25	264,25	265,25	1,00	0,61	
ERS2010001	Central	7250712,58	1563759,70	487,80	100,90	59,30	450,00	302,70	304,70	2,00	0,91	
								316,70	318,70	2,00	43,09	
								317,70	318,00	0,30	284,50	Included
ERS2010002	Central	7250757,85	1563754,49	485,26	102,70	47,70	385,20	305,00	307,00	2,00	2,57	
								306,00	307,00	1,00	4,48	Included
								320,00	321,00	1,00	0,81	
								342,25	344,00	1,75	1,16	
								342,25	343,00	0,75	2,24	Included
ERS2010003	Central	7250608,03	1563783,74	495,42	100,10	49,50	358,50					No significant intercepts
ERS2010004	Central	7250661,40	1563774,62	492,16	95,60	59,40	432,60					No significant intercepts
ERS2010005	Central	7250712,05	1563757,09	487,69	95,70	66,80	532,20	378,40	380,00	1,60	0,19	
								379,75	380,00	0,25	0,49	Included
								450,00	451,00	1,00	0,99	
ERS2010006	Central	7250562,82	1564032,72	480,63	277,60	46,20	127,50					No significant intercepts
ERS2010007	Central	7250524,59	1564033,21	478,96	281,90	41,30	120,60	98,00	99,00	1,00	2,82	
ERS2010008	South 1	7250037,01	1563787,26	496,07	121,80	63,50	66,75	41,50	47,5	6,00	2,28	
								42,50	43,50	1,00	1,40	Included
								45,50	46,50	1,00	10,40	Included
ERS2010009	South 1	7250036,41	1563788,41	496,06	120,00	40,30	51,30	37,05	38,05	1,00	0,92	
ERS2010010	South 1	7250055,70	1563794,47	495,01	122,00	37,50	51,35					Pending for assays
ERS2010011	South 1	7250056,17	1563791,95	494,70	127,50	61,10	59,50					Pending for assays
ERS2010012	South 1	*7250185,51*	*1563797,48*	*501,00*	*129,00*	67,00	*242,50*					Pending for assays
ERS2010013	South 1	*7250220,88*	*1563742,09*	*498,00*	*93,00*	49,00	*268,50*					Pending for assays

Ersmarksberget Core Drilling Phase I.pdf

The goal for the ongoing investigation at Ersmarksberget is to define enough mineral reserves to allow for profitable mining. If the outcome of the investigation is positive a mineral resource estimate will be finalised. After metallurgical tests and estimates of operating costs and a subsequent calculations of ore reserves it should possible to make a decision in quarter three 2010 about the potential future start up of production.

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The technical part of this press release has been approved by Risto Virkkunen, the company´s and by SveMin and FinnMin registered qualified person (QP).

Lappland Goldminers AB is a producing mining company with significant exploration activities. The Company is listed on the market place First North Premier under the name GOLD, with Mangold Fondkommission AB as Certified Adviser, as well as on the Norwegian OTC list. Lappland Goldminers' strategy is to develop mineral deposits into profitable producing mines. The Company is strategically positioned with the the fully permitted Fäboliden gold project and the Ersmarksberget deposit and processing plant in northern Sweden. The Pahtavaara gold operation is located in the north of Finland and the Haveri gold deposit in the south of Finland. Lappland Goldminers is a member of SveMin, the Swedish association for mines, minerals and metal producers, and follows SveMin's reporting rules for public mining and exploration companies.