

Lapland Goldminers presents a feasibility study for the Fäboliden gold project

Lapland Goldminers AB (publ), listed on First North and the Norwegian OTC list, has carried out a feasibility study for the Fäboliden gold project. The feasibility study, addressing the establishment and operation of a mine with a processing plant at Fäboliden, is carefully based on a conservative evaluation of the gold grades and tonnage based on an extensive core drilling program. Company Management concludes, based on test mining including major testing and concentrating trials, that the gold grades of the deposit could be considerably higher. The feasibility study shows that the Company's project can produce gold in the Fäboliden project at a cost equivalent to around 43-60% of the current gold price.

Conclusions:

Summary for alternatives at current prices of February 1, 2008, and conservatively estimated grades:

- Measured and indicated mineral resources are estimated to approx. 60 Mt and contained Au at 2.4 M.tr.oz, corresponding to proven and probable reserves of 1.94 M.tr.oz. In addition there are inferred resources amounting to approx. 10 Mt (not included in this evaluation).
- Average Au grade after dilution in the open pit: 1.2 g/t.
- Average Au grade after dilution for the underground production: 1.07 g/t.
- Cash cost open pit, USD/oz: 385 / (428)
- Cash cost underground, USD/oz: 485 / (539)
- Planned start of operation 2011
- Production 4.6 million tons of ore per year
- Pay-back time 4 years. The value of accumulated cash flow, after whole investment repaid, is estimated to approx. SEK 3,500 (2,500) million (excluding interest costs and taxes)
- Capital Expenditure (Capex) is estimated to SEK 1.770 million for the open pit and SEK 280 million for the underground mine.

Calculations are based on daily prices from February 1, 2008, when the gold price was at 933 USD/oz, silver 17 USD/oz and the exchange rate SEK 6.44 per USD. One oz is equal to 31.1035 g. Since then the dollar exchange rate has fallen heavily against the Swedish Krona. This influences the investment cost positively, while the operating costs and cash flow from the project is influenced negatively. The numbers in parenthesis above are corrected downward using a token adjustment of the dollar exchange rate of 10%. Also see the sensitivity study on page 8 of the feasibility study.

The feasibility study has been compiled by Outotec Sweden AB, previously Outokumpu Technology, with extensive experience from mining projects both in Sweden and internationally. A number of other consultants have also been active in the study, such as SWECO, GeoVista, Minpro and others. A total of 70 experts have been engaged in the project, which includes both open pit and underground mine, in addition to processing plant, dams, infrastructure and environmental issues. The Company's own personnel has been active in all parts of the project, and some of the important aspects such as methods and routines for exploration, geological interpretation and resource estimates have been reviewed by internationally recognized consultants such as SRK in Cardiff, England.

The Company has decided to size the facilities for a flow of 4.6 million tons ore per year, in order to keep within the environmental permit's limit of 5 million tons per year and to thereby make possible, through normal efficiency improvements, to reach 5 million tons within a few years, without additional investments. The design and depth of open pit is optimized based on a gold price of 650 USD/oz. All feasibility studies are based on current metal prices and exchange rates as of February 1, 2008. The project includes all operations from mining to finished gold bars, so-called dore bars. The gold bars are then sold for final purification to external refineries. The cost of sale and refining is typically under 1% of the metal value, and thus 99% of the value is handled within the project.

– Feasibility studies, including mining in both open pit and underground mine, show that we have a project with a long life span, and in relation to the size of the investment, a quick recovery of investment. With our own processing plant in place we also improve our opportunities to develop other profitable projects along the gold line. Only grades confirmed by analysed drill core have been used in the study, which means that the higher grades found at the test mining and other large-scale tests which have shown 30-82% higher grades than the corresponding drill core analyses, have not been included in the calculations. We have, however, included calculations in the sensitivity analysis how the higher grades affect the project. Our conclusion, based on results from the test mining etc. is that it will be possible to achieve higher grades in future production, and thereby larger quantities of produced gold. The waste rock that needs to be removed in the open pit in order to reach the ore in large parts carries gold, although the grades are distributed too unevenly for a complete calculation of the resource, but this signifies a potential for a longer life span and a lower waste rock/ore ratio, says Karl-Åke Johansson, MD.

["Link to feasibility study, main report"](#)

Further geological work in Fäboliden will now be concentrated to increasing the known and indicated mineral resource through some complementary drilling, especially within the delineated volume. The Company's estimate is that at least 10 million tons can be upgraded to the indicated category, and thereby be included in an updated feasibility study later this year. Other initiatives are also planned to investigate the grades of the deposit through large-scale testing.

The Company has been granted permission, in accordance with the environmental law, from the Environmental Court of Umeå, for an activity which includes establishment and operation of a mine and processing plant in Fäboliden, which is included in the feasibility study. The permit opens the possibility to process gold ore from a larger mining area without investing in new processing facilities. An important part of the permit is for a sand depot, which will minor additions can be used for long-term production. The permitting process for a tailings dam is very time consuming and costly, and the Company feels that a permitted tailings dam is a major asset for a long term player in the area. The permit has been appealed to the Supreme Environmental Court by three people living there during vacations and by Naturvårdsverket (the Environmental Protection Agency). Naturvårdsverket has only appealed certain technical solutions and the safety of the after-process, but not the projects permission per se. Negotiations in the Supreme Environmental Court is scheduled for the end of May.

The deposit in Fäboliden is located along the Gold Line in Västerbotten. Lappland Goldminers has many interesting projects on the Gold Line, with great potential to be developed into profitable mines.

About Fäboliden

Fäboliden, the Company's "flagship" and largest deposit, is located on the Gold Line in the municipality of Lycksele. The Company will establish a central processing plant to extract gold and silver. The facility is built to concentrate ores from the Gold Line, and the end product is doré bars to be sold.

For additional information:

Karl-Åke Johansson, CEO
Ph. +46 950 275 01, +46 70 625 22 57
karl-ake.johansson@lgold.se

Tomas Björklund, Board Member
Ph. +46 70 662 35 35
tomas.bjorklund@lgold.se

Also see: www.lapplandgoldminers.com
About Mangold Fondkommission: www.mangold.se

Lappland Goldminers AB is an exploration company, and, through the acquisition of the gold mine and processing plant Pahtavaara in Finland, also a producing mining company. The company is listed on the market place "First North" under the name GOLD, with Mangold Fondkommision AB as the Certified Adviser, as well as the OTC list of the Oslo exchange. Lappland Goldminers has secured a number of gold deposits along the so-called Guldlinjen ("The Gold Line") in Västerbotten. The Company's strategy is to develop a profitable, producing gold company with a centrally located processing plant in Fäboliden, Sweden, in the Haveri area in Finland, and Pahtavaara in northern Finland, which is supported by ore from one or several mines either through the Company's own exploration or alternatively through acquisitions. The company is a member of SveMin, the trade association for mines, minerals and metal producers in Sweden (formerly called the Swedish Mining Association) and follows SveMin's reporting rules for public mining and exploration companies.