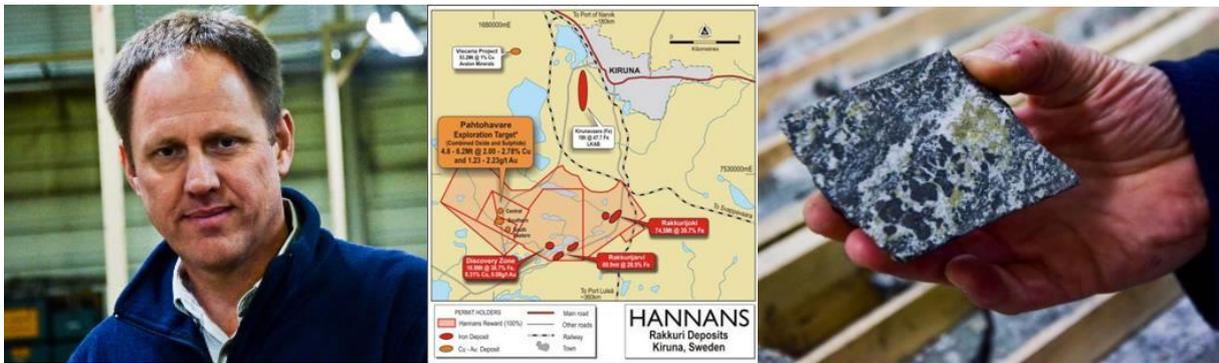


NSD



"It's a big step"

The Australian mining company Avalon Minerals have bought mining rights for 24 million in Kiruna. This applies to the areas of Rakkurijärvi and an area called the "Discovery Zone". The idea is that any deposits in that area should be linked with future mining operations at Viscaria.

- It's a big step for us to make this investment. But we think it can be very valuable for our investors and also for the country, said Jeremy Read, CEO of Avalon minerals.

When NSD meets Avalon Mineral's CEO, he has just arrived in Kiruna. About an hour later, he put himself in a helicopter to analyze what it looks like around the area where Avalon Minerals just bought the new exploration area from Hannan's Reward (Kiruna Iron) for 24 million SEK. He wants to see how future mining in the "Discovery Zone" (see map) could be linked with the company's operations in Viscaria.

The last phase

- We see that this project will last for ten years at least. We would begin to mine Viscaria and do it for four or five years. Then what would be found within the "Discovery Zone" could be mined only in year six or seven of the project, he says.

Jeremy Read says that the next few months are crucial for what will happen in regards to future mining operations at Viscaria. Right now drill core is being analyzes and after that a decision is made if the value is high enough to go into the final phase.

- We have put a lot of money in this region and we do it because we believe that this project will be profitable, he says.

Appeals

The new investment comes just weeks after the CAB dismissed the mining company's application for

an exploration permit at Esrange rocket firing range. Avalon Minerals now appealed the decision to the government.

- We believe that we can explore without affecting Esrange. But it is the government that gets to decide what is best for Sweden. If they say no, we have other areas where we explore and then we will focus on those, said Jeremy Read.

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From the inauguration of LKAB's new Svappavaara mining area

"Mining in black and white"

All the nice environment in Norrbotten is not about to be destroyed by mining companies.

"Land use in Sweden in 2005."

The publication from SCB (Statistics Sweden) do not attract to reading. But it is important.

SCB shows land use in Sweden in black and white. The statistics tell exactly how much land is used for residential, industrial, leisure purposes etc.

An example: in 2005 Sweden used 28 200 hectares for golf courses in Sweden.

And the golf course growth has not slowed down. In a newsletter from SGU (February 2013), I read that Sweden now is using 35 000 hectares for golf courses.

There is a total growth of 6,800 hectares over the past eight years!

I begrudge no one to play golf. But I think it might be worth putting the spread of golf courses against the growth of the mining industry.

Demonstrations against new mines are being organized. But we are dealing with small areas of land in comparison to what the Swedish people use to play golf.

Mining areas in Aitik and Kiruna, which are the largest ones, together amount to 5100 hectares.

According to SGU there is a total of 9 000 hectares of mining land in Sweden (according to the Minerals Act).

In a sparsely populated county such as Norrbotten there is room for both new mines and other operations.

On November 11, 2011, I interviewed municipal commissioner Stefan Andersson in Jokkmokk. He is one of those who are struggling in order for Jokkmokk to become a mining community.

"A mining establishment does not prevent us from developing the tourism industry, the reindeer business and other activities. Jokkmokk's surface is as large as half of Switzerland.", said Andersson.

He pointed out that Jokkmokk is the second largest municipality and that area is nearly 20,000 square kilometers.

"Let's say we grant two square kilometers to mining. If so, there are still nearly 20,000 square kilometers for other activities," said the commissioner.

Of course, new mines, and other industrial activities, should go through environmental audits. Sweden has mineral and environmental laws that need to be followed.

But there is cause for a little moderation and balance in the environmental debate. It's not that all the nice environment in Norrbotten is about to be destroyed by mining companies.

In SCB's publication, I read that there is a total of 5.2 million hectares of mountain land in Norrbotten, Västerbotten, Jämtland and Dalarna.

The new mines would use only a tiny fraction of this huge area of land!

If we are going to afford to play golf, do sport fishing and other things we need to also have internationally competitive enterprises and export earnings.

We do not live off of washing each other's shirts, as Hans Werthén said once.

We also need the income from the primary sector. In this respect, the mining industry still plays a central role in Swedish welfare.

Just the state-owned mining giant LKAB alone, delivered a profit of 1.5 billion SEK during the first three months of the year.

That's enough to pay salaries for 3,000 employees in the elderly care, as a comparison.

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