

	Units	Case 1.5 Mt/y		Case 3 Mt/y		Case 10 Mt/y	
		Yearly	Life of mine	Yearly	Life of mine	Yearly	Life of mine
SUMMARY							
PRODUCTION							
<u>MINING</u>							
Life of mine	year	8	8	8	8	8	8
Ore tonnage mined	Mt	1.5	12.0	3.0	24.0	10.0	80.0
Fe grade	%	38.0	38.0	38.0	38.0	38.0	38.0
TiO2 grade	%	5.6	5.6	5.6	5.6	5.6	5.6
Fe contained	kt	570	4,560	1,140	9,120	3,800	30,400
TiO2 contained	kt	84	672	168	1,344	560	4,480
ton Waste rock per ton of ore	ratio	0.5	0.5	0.8	0.8	1.3	1.3
Waste rock tonnage	Mt	0.75	6.0	2.4	19.2	13.0	104.0
<u>PROCESS PLANT</u>							
Fe recovery	%	65	65	65	65	65	65
Fe recovered	kt	371	2,964	741	5,928	2,470	19,760
Fe concentrate	kt	570	4,560	1,140	9,120	3,800	30,400
Fe concentrate	%Fe	65	65	65	65	65	65
TiO2 recovery	%	45	45	45	45	45	45
TiO2 recovered	kt	38	302	76	605	252	2016
TiO2 concentrate	kt	85	678	170	1,356	565	4,520
TiO2 concentrate	%TiO2	45	45	45	45	45	45
CASH FLOW ANALYSIS							
<u>REVENUE</u>							
Price							
Fe price	US\$/Fe-unit	0.80	0.80	0.80	0.80	0.80	0.80
TiO2 price	US\$/t TiO2	80	80	80	80	80	80
Revenue							
Fe concentrate	MUS\$	29.6	237.1	59.3	474.2	197.6	1,580.8
TiO2 concentrate	MUS\$	3.0	24.2	6.0	48.4	20.2	161.3
Total Revenue	MUS\$	32.7	261.3	65.3	522.6	217.8	1,742.1
<u>CAPITAL COST</u>							
General & Infrastructure	MUS\$		8.1		11.6		25.1
Mine	MUS\$		3.2		4.8		9.0
Process plant	MUS\$		52.1		70.1		133.6
Reclamation	MUS\$		4.8		6.2		13.7
Total Capital cost/Depreciation	MUS\$	8.5	68.1	11.6	92.7	22.7	181.4
<u>OPERATION COSTS</u>							
Mining	MUS\$	5.2	41.9	10.7	85.8	32.8	262.1
Processing	MUS\$	9.6	77.0	16.6	133.2	47.8	382.3
Concentrators trpt, Alternative A	MUS\$	11.0	88.2	20.2	161.9	56.7	453.7
G&A	MUS\$	1.5	12.1	2.5	20.3	4.7	37.3
Total Operation costs	MUS\$	27.4	219.2	50.1	401.1	141.9	1,135.4
CASH FLOW Potential (ex. profit tax)	MUS\$	-3.2	-25.9	3.6	28.8	53.2	425.3
Currency exchange rate	SEK/US\$	7.3	7.3	7.3	7.3	7.3	7.3

	Units	Case 1.5 Mt/y		Case 3 Mt/y		Case 10 Mt/y	
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DETAILS, page 1							
PRODUCTION							
<u>MINING</u>							
Life of mine	year	8	8	8	8	8	8
Ore tonnage mined	Mt	1.5	12.0	3.0	24.0	10.0	80.0
Fe grade	%	38.0	38.0	38.0	38.0	38.0	38.0
TiO2 grade	%	5.6	5.6	5.6	5.6	5.6	5.6
Fe contained	kt	570	4,560	1,140	9,120	3,800	30,400
TiO2 contained	kt	84	672	168	1344	560	4,480
ton Waste rock per ton of ore	ratio	0.5	0.5	0.8	0.8	1.3	1.3
Waste rock tonnage	Mt	0.75	6	2.4	19.2	13.0	104
<u>PROCESS PLANT</u>							
Fe recovery	%	65	65	65	65	65	65
Fe recovered	kt	371	2,964	741	5,928	2,470	19,760
Fe concentrate	kt	570	4,560	1,140	9,120	3,800	30,400
Fe concentrate	%Fe	65	65	65	65	65	65
TiO2 recovery	%	45	45	45	45	45	45
TiO2 recovered	kt	38	302	76	605	252	2,016
TiO2 concentrate	kt	85	678	170	1,356	565	4,520
TiO2 concentrate	%TiO2	45	45	45	45	45	45
CAPITAL COSTS ESTIMATE							
<u>GENERAL & INFRASTRUCTURE</u>							
Environmental permitting	MSEK		10		15		30
Beowulf Project Management & Adm	MSEK		15		23		45
El-Power line & substation/-s	MSEK		15		25		60
Road, Site-Kvickjokk	MSEK		10		10		20
Office/change room/phones etc	MSEK		6		7		20
Owners Whicles	MSEK		3		5		8
Total General & Infrastructure	MSEK		59		85		183
Total General & Infrastructure	MUS\$		8		12		25
<u>MINE (contract mining assumed)</u>							
Mining contract Mobilisation & Site prep.	MSEK		5		8		15
Overburden removal & prestrip	MSEK		12		18		35
Pond/pumps/pipeline for mine w	MSEK		3		5		10
Equ. for mine planing & survay etc	MSEK		3		4		6
Total Mine	MSEK		23		35		66
Total Mine	MUS\$		3		5		9
<u>PROCESS PLANT</u>							
Site preparation	MSEK		10		12		25
Process Plant	MSEK		350		475		900
Tailings facility incl pipeline	MSEK		20		25		50
Total Process plant	MSEK		380		512		975
Total Process plant	MUS\$		52		70		134
<u>RECLAMATION (at closure of operation)</u>							
Total Reclamation	MSEK		35		45		100
Total Reclamation	MUS\$		5		6		14
TOTAL CAPITAL COST ESTIMATE							
TOTAL CAPITAL COST ESTIMATE	MUS\$		68		93		181

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		Yearly	Life of mine	Yearly	Life of mine	Yearly	Life of mine
DETAILS, page 2							
OPERATION COST ESTIMATE							
<u>MINING</u>							
Ore	Mt	1.5	12	3	24	10	80
Waste Rock	Mt	0.8	6.0	2.4	19.2	13.0	104.0
Total Ore+Waste rock	Mt	2.25	18	5.4	43.2	23	184
Mine contractor (ore and waste rock):	SEK/t mined	15	15	13	13	10	10
Owners mine magt/geology etc	SEK/t mined	2	2	1.5	1.5	0.4	0.4
Total Mining cost	SEK/t mined	17	17	14.5	14.5	10.4	10.4
Total Mining cost	MSEK	38	306	78	626	239	1,914
Total Mining cost	MUSD	5.2	42	11	86	33	262
Total Mining cost	SEK/t ore	25.5	26	26	26	24	24
Total Mining cost	US\$/t ore	3.5	3.5	3.6	3.6	3.3	3.3
<u>PROCESSING</u>							
Chrushing	SEK/t ore	14	14	12	12	10	10
Grinding-Magn.separation, Flotation	SEK/t ore	30	30	26	26	23	23
Filtering	SEK/t tot conc	4.5	4.5	4.0	4.0	3.0	3.0
Total Processing cost	MSEK	70	562	122	972	349	2790
Total Processing cost	MUS\$	9.6	77	17	133	48	382
Total Processing cost	SEK/t ore	46.8	46.8	40.5	40.5	34.9	34.9
Total Processing cost	US\$/t ore	6.4	6.4	5.5	5.5	4.8	4.8
<u>CONCENTRATE TRANSPORT</u>							
Fe concentrate	kt	570	4,560	1,140	9,120	3,800	30,400
TiO2 concentrate	kt	85	678	170	1,356	565	4,520
Total Concentrates	kt	655	5,238	1,310	10,476	4,365	34,920
Road trpt cost	SEK/tkm	0.50	0.50	0.47	0.47	0.40	0.40
Train trt cost	SEK/tkm	0.17	0.17	0.15	0.15	0.13	0.13
Road/train handling cost	SEK/t conc	5.0	5.0	4.0	4.0	2.5	2.5
Port Handling cost/Train unload	SEK/t conc	4.0	4.0	3.0	3.0	2.0	2.0
Port Handling cost/Road truck unload	SEK/t conc	25	25	22	22	18	18

	Units	Case 1.5 Mt/y		Case 3 Mt/y		Case 10 Mt/y	
		Yearly	Life of mine	Yearly	Life of mine	Yearly	Life of mine
DETAILS, page 3							
OPERATION COST ESTIMATE continued							
<u>CONCENTRATE TRANSPORT</u>							
<u>Alternative A</u>							
Road from Site to Murjek	km	182	182	182	182	182	182
Train from Murjek to Lulea port	km	135	135	135	135	135	135
Total trpt & FOB cost alt A	MSEK	81	644	148	1,182	414	3,312
Total trpt & FOB cost alt A	MUS\$	11	88	20	162	57	454
Total trpt & FOB cost alt A	SEK/t conc	123	123	113	113	95	95
Total trpt & FOB cost alt A	US\$/t conc	17	17	15	15	13	13
Total trpt & FOB cost alt A	SEK/t ore	54	54	49	49	41	41
Total trpt & FOB cost alt A	US\$/t ore	7.4	7.4	6.7	6.7	5.7	5.7
<u>Alternative B</u>							
Road from Site to Lulea Port	km	293	293	293	293	293	293
Total trpt & FOB cost alt B	MSEK	112	898	209	1,673	590	4,721
Total trpt & FOB cost alt B	MUS\$	15	123	29	229	81	647
Total trpt & FOB cost alt B	SEK/t conc	147	147	138	138	117	117
Total trpt & FOB cost alt B	US\$/t conc	20	20	19	19	16	16
Total trpt & FOB cost alt B	SEK/t ore	75	75	70	70	59	59
Total trpt & FOB cost alt B	US\$/t ore	10.3	10.3	9.5	9.5	8.1	8.1
<u>G & A</u>							
Company Insurances	MSEK	2	16	3.5	28	8	64
Board, Managemnet, Administartion etc	MSEK	7	56	11	88	20	160
Others	MSEK	2	16	4	32	6	48
Total G & A cost	MSEK	11	88	18.5	148	34	272
Total G & A cost	MUS\$	1.5	12.1	2.5	20.3	4.7	37.3
Total G & A cost	SEK/t ore	7	7	6	6	3	3
Total G & A cost	US\$/t ore	1.0	1.0	0.8	0.8	0.5	0.5
TOTAL OPERATION COST ESTIMATE	MSEK	200	1,600	366	2,928	1,036	8,288
TOTAL OPERATION COST ESTIMATE	MUS\$	27.4	219.2	50.1	401.1	141.9	1,135.4
TOTAL OPERATION COST ESTIMATE	SEK/t ore	133	133	122	122	104	104
TOTAL OPERATION COST ESTIMATE	US\$/t ore	18.3	18.3	16.7	16.7	14.2	14.2