

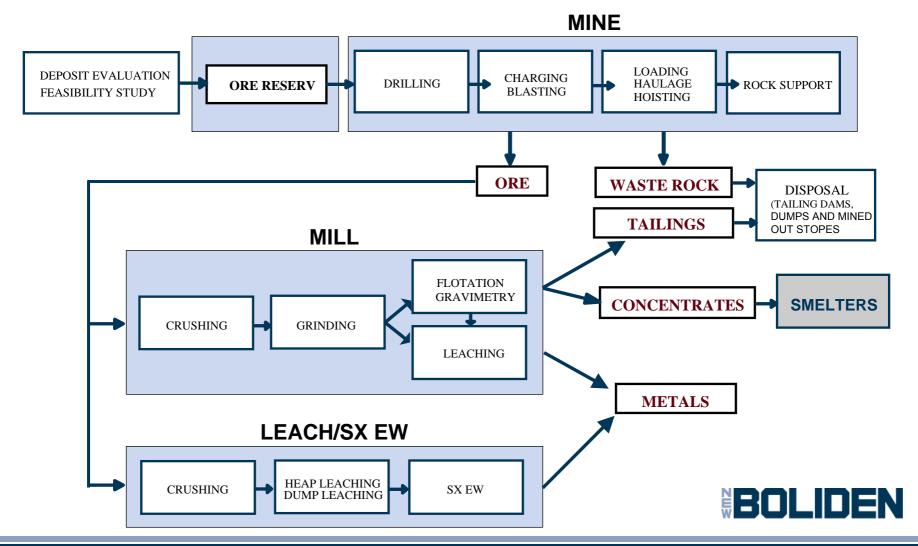
Capital Markets Day November 2008

Ore reserves

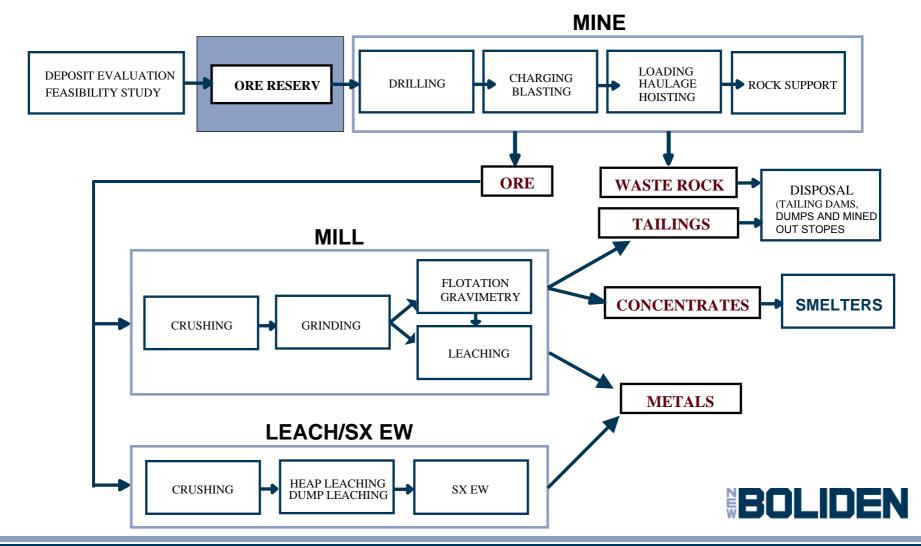
Jan Moström
President BA Mines



Base metal and gold and mining phases



Ore reserve



Mineral resources and ore reserves

EXPLORATION INFORMATION

and governmental factors

Increasing level of geological

knowledge

and

confidence

MINERAL RESERVES

INFERRED

INDICATED

PROBABLE

MEASURED

PROVEN

The "modifying factors"

Consideration of mining, metallurgical, economic, marketing, legal, environmental, social

Mineral resource

A concentration of minerals in the bedrock that may become commercially extractable.

Ore reserves

Parts of a mineral resource that can be mined and processed in accordance with demands of profitability



Study categories

CONCEPTUAL STUDY

Guide for exploration and further studies.

PRE-FEASIBILITY STUDY

- Based on at least
- indicated resource.
- Several operational alternatives investigated.

FEASIBILITY STUDY

- Alternative of choice, design, construction and plans for operating the mine.
- Permits.
- Complete work for investment decision.

Mineral Resource

Ore Reserve

Project Plan

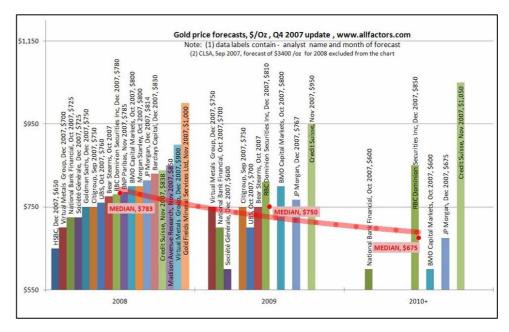


Ore reserves, mineral resources and metal prices

 Evaluation of mineral resources and ore reserves according to standards of JORC code and modified NI 43-101 (Canadian legislation)

Metal prices used:

- Company long term price forecast
- International institutes' estimates
- In USA average prices prevailing in the last three years





Pre-feasibility study

PRE-FEASIBILITY STUDY

- Late stage in an exploration project
- Based on indicated resource
- Alternative solutions studied (≤3 alternatives)
- Accuracy +/- 20-25%

Output

- Mine design
- Process design
- Plant design
- Economic evaluation
- Ore reserve



Feasibility study

FEASIBILITY STUDY

- Final stage before construction
- Based on measured/indicated resource
- One alternative studied
- Production plan
- Sensitivity and risk analysis
- Implementation plan
- Accuracy +/- 10-15%

Output

- Mine design
- Process design
- Economic evaluation
- Ore reserve
- Detailed equipment list
- Lay out drawings
- Implementation plan
- Sensitivity analysis
- Permits



Mine construction



Mine production

