Summary and status of the Reinfjord Exploration Project and other exploration targets within the Seiland Igneous Province

By Nordic Mining's Exploration Manager Mona Schanche, 1st of August 2013

Background

The Reinfjord project is an exploration target situated in the "The Seiland Igneous Province" (SIP) in Troms County in Northern Norway. Although the vast, 5500 km2, magmatic province shares several similarities with highly prospective areas around the world it is to a large degree unexplored for base and precious metals.

Nordic Mining was made aware of the ore forming potential of the province in 2006 by professor in ore geology, Rune B. Larsen, at the Norwegian University of science and technology. Rune has extensive background in evaluation of ore forming processes in magmatic settings. For many years Rune studied Greenlandic magmatic intrusions, among others the Skaergaard Intrusion. Based on his professional background Larsen regards the Seiland Province as highly prospective for nickel, copper and platinum group elements (PGE) in particular in connection with the areas large mafic and ultramafic units.

The only available documentation of prospecting within the area is from the 1970ties. The focus of the prospecting at this time was solely on base metals and nickel in particular. No PGE exploration is documented. The exploration in the 70ties was limited to scattered fieldwork and sampling, airborne reconnaissance and simple geophysical measurements. One of the reasons for the low prospecting might be due to the inaccessibility of the area owing to its high mountains, rough climate and lack of infrastructure. Also the overall prospecting in Norway has been very low compared to neighboring countries for the past 40 years partly because of the extensive focus on offshore oil development.

By studying the geology of the province and previous exploration reports Nordic Mining targeted several areas of interest for further investigation. This was done together with Professor Larsen and the company consultant Dr. Markku Iljina who is a specialist on ore forming processes for Ni, Cu, PGE in igneous settings. In 2007 Nordic Mining commissioned The Norwegian Geological Survey to investigate a mineralization described in old reports to be found in the Lokkarfjord mafic intrusion. Field work and sampling in the area revealed promising grades of Cu, Ni and PGE. In 2011 Nordic Mining organized a larger field campaign for targeted areas within the complex under the supervision of Markku Iljina. The Lokkarfjord intrusion was mapped and sampled in more detail together with the Reinfjord and Tappeluft Intrusions. Interesting metal grades were also discovered in the Reinfjord area. The field work showed that the contact of the intrusion was mineralized with low grades of copper and nickel for several km. The Reinfjord and the Lokkarfjord intrusions were also subject of geophysical measurements (EM and Magnetic surveying) by helicopter.

The most promising EM anomaly was discovered in the Reinfjord intrusion. The contact mineralized zone mapped around the Reinfjord intrusion was not visible in the EM data, however a large EM anomaly was indicated to be present at some depth within the center of the southern flank of the intrusion. In early 2012 the EM anomaly was further investigated by a ground EM survey that indicated that the anomaly was present at about 100 meters depth. In May 2012 the anomaly was tested by drilling of two holes. One of the holes intersected good grades of Ni, Cu and PGE.

Main results from exploration

The table below presents the average base and precious metal grades for the best mineralized sections of drillhole RF-1 from Reinfjord intrusion.

Hole ID	From (m)	To (m)	Meters (m)	Nickel %	Copper %	Cobalt %	Gold g/t	Palladium g/t	Platinum g/t	PGE+Au g/t	Sulphur %
RF-1	86	93	7	0.38	0.12	0.02	0.03	0.03	0.03	0.09	0.61
RF-1*	107.75	117	9.25	0.27	0.06	0.02	0.07	0.20	0.15	0.42	0.58
*including	107.75	113	5.25	0.24	0.05	0.01	0.10	0.31	0.23	0.64	0.41

Modeling of the ground geophysical data from the Reinfjord (TEM) shows a large conductive field (600 x 600 meters) located between the depths 60 and 110 meters from the surface. The conductor is open towards the northeast and is shaped like a flat lying bowl dipping gently towards the northeast. The figure below is a 3D interpretation of the conductor.

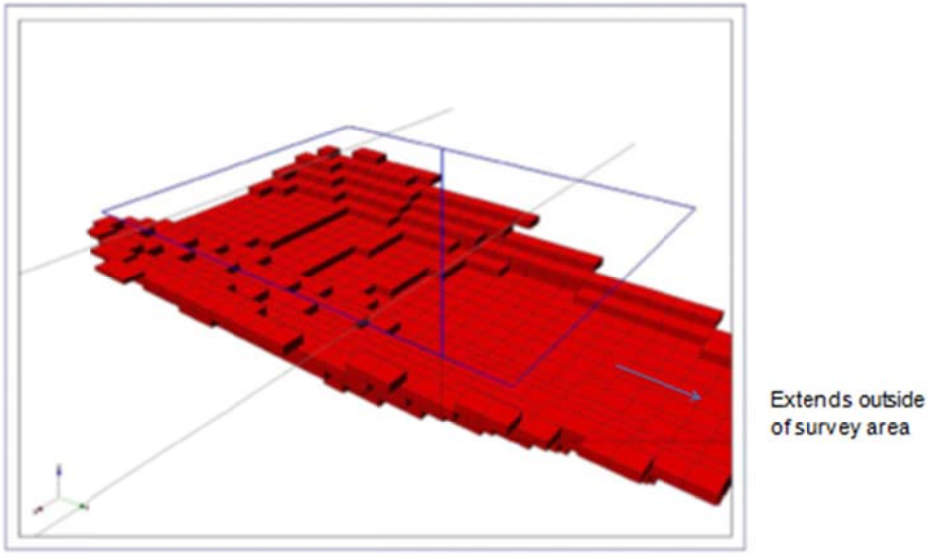

Figure 3: 3D model of Reinfjord conductor. Each cell has an estimated resistivity of 5 ohm.

Analysis of the sulphide mineralization found in the Lokkarfjord intrusion shows ore grade base and precious metal values. The values for the two best samples are shown in the table below.

Sample ID	Nickel	Copper	Cobalt	Gold	Palladium	Platinum	PGE+Au	Sulphur
	%	%	%	g/t	g/t	g/t	g/t	%
L1	0.55	1,83	0.04	0,16	1.01	0,14	1,31	11.9
L1003	1.20	0.97	0.10	0,11	0,64	0,18	0,93	12.5

For more information on exploration results and geology, and links to relevant reports see our webpage at: http://www.nordicmining.com/new-nickel-copper-and-platinum-group-element-discoveries-in-north-norway/category139.html

Further exploration

Planned exploration in Reinfjord

The next phase of exploration for the Reinfjord Intrusion is to conduct a larger drilling campaign. The aim is to further investigate the EM anomaly and the discovered mineralization. A preliminary plan for the next drilling phase is to drill approximately 10 holes of which 7 holes aims at penetrating the modeled EM conductor and mineralized horizon (drilling to approximately 150 meters depth). 2 holes aims at penetrating the contact mineralization at a deeper level (approximately 150 meters depth) and the last hole is a long hole that aims at reaching the bottom of the magma chamber (approximately 500 meters depth).

The cost of the drilling is summarized in the table below.

Øksfjord, Reinfjord
Progress plan forcast 2013 , Exploration

No.	Activity	Months	2014										Forcast
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Des	USD
1	Microscoping/SEM													50 000
2	Geophysics evaluation / measurements													30 000
3	Drilling II													700 000
4	Logging / Analysis / Concentration test													300 000
5	Reporting / modelling													100 000
TOTAL COSTS														1180000

Activity 1) Microscoping and SEM: It is planned to do somewhat more to characterize the different ore forming minerals before initiating drilling. The main focus is on characterizing Platinum group minerals.

Activity 2) Geophysics evaluation / measurements: It is planned to do a more detailed investigation of the geophysical data combined. This is the airborne geophysics, ground EM,

down hole EM and the drill core geophysical measurements. The aim is to see if the combination of the 4 sets of data can give new insight in conductivity of the area. Based on this the possible benefits for also doing IP analysis (or other complementary geophysical measurements) before drilling will be evaluated.

Activity 3) Drilling II: This is the estimated cost of the drilling campaign including mobilization, direct drilling costs, demobilization, crew, supervising geologist, down hole geophysics, deviation measurements, helicopter rental and moves between holes.

Activity 4) Logging / analysis / concentration test: This estimate is for drill core logging by professional geologist, sampling, drill core analysis and concentration tests.

Activity 5) Reporting/modeling: This estimate is for reporting of drilling results by a qualified person, modeling of possible ore deposit and resource estimations (grade/tonnage).

Further exploration in Lokkarfjord

The next phase for exploration in Lokkarfjord is further sampling and mapping of the two known mineralized dykes. The understanding of these dykes and the possible discovery of new ones may benefit from ground geophysical EM survey. Because of the steep terrain parts of this work should be done by climbers. There is yet no estimate for the costs for doing this work.

Other targets for exploration in SIP

In addition to the Lokkarfjord and Reinfjord exploration licenses Nordic Mining has 13 additional exploration licenses within the SIP, covering a total area of 126 km2. All the licenses are placed in areas of favorable geology. Further fieldwork and geophysical surveys are needed to investigate the prospectivity of these areas. There is currently not a budget for this work.

The cost of exploration licenses in Norway are:

- 1st calendar year: 170 USD per claim area, not depending on the size of the claim.
- 2nd and 3rd calendar year: ~ 1.7 USD per 10.000 m2 of claimed area
- 4th and 5th calendar year: ~ 5 USD per 10.000 m2 of claimed area
- 6th and 7th calendar year: ~ 8.4 USD 10.000 per m2 of claimed area

The claims are valid for 7 years and each area can be a maximum of 10 km2. The total cost of Nordic Mining exploration licenses in SIP for 2013 was approximately 25 000 USD.

The map below shows the claim areas. Nordic Mining's claims are marked with red colored NM. Other than two claims on Stjernøya all claims are licensed by Nordic Mining.

Nordic Mining SIP Exploration Licenses