

# MINING IN EUROPE

ONE DAY MINING & METALS INVESTMENT EVENT

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January 2010



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## MINING AND EXPLORATION IN EUROPE:

### UNKNOWN, UNTAPPED, EMERGING EUROPE SHOULD OPEN UP EXPLORATION ACTIVITIES AND STIMULATE INVESTMENTS INTO DEVELOPMENT OF NATURAL RESOURCES

In the first part of the Featured Article in the last issue on what the European Commission thinks about natural resources, it became clear that they see the desirability to become less dependent on the rest of the world for its critical needs for metals and minerals. That is a good starting point to implement the legal and regulatory basis to give room to all the international companies that are working on their European exploration projects and those that would like to come and join the search for our natural resources. I am anxious to see what the Commission will come up with after the Raw Materials Initiative of 2007, the subject of the second part of the Featured Article in this issue, which contained the promise to follow up on it before or in 2010; like I said last time, it has been awfully quiet and nothing was heard in 2009 so let's see what the new year 2010 will bring in this respect.



In the meantime, there are signs that on the country levels, the attitude towards mining and exploration are becoming more open and receptive, even despite actions of protest from environmentalists and politicians, which often clearly demonstrate that their opinions primarily are more based on fear and skepticism, not completely without reason, than on understanding, knowledge and trust. I think that the mining and exploration companies, active in Europe, should do more to combine forces for setting up a good and honest awareness program to improve the understanding of what natural resources and mining and exploration are all about and that they are not a liability but an asset.

In my previous issue, I signalled the Swedish Prime Minister who came out and spoke openly of the positive attitude of his government towards mining and exploration in his country. If they even would allow the

## ► EDITORIAL COMMENT

mining of their own uranium occurrences, that would be an enormous step forward. I am confident that it will not be a matter of IF but WHEN.

In the recent few weeks, I have been looking into the resource situation of SLOVAKIA. A situation that is showing quite a similarity with what it is like in SWEDEN, and FINLAND: also in Slovakia, mining and exploration lead to discussions between opponenets and supporters. A an encouraging sign came in early December when the members of parliament rejected an amendment to the mining law which was asking for a moratorium on radioactive materials, a request that was sponsored by an opposition party and was submitted also in connection with a similar petition from Greenpeace. It was the second time the amendment was rejected after it was denied earlier in October.

Another example of a more lenient attitude towards mining and exploration in Europe is GREECE. Mining is a traditional sector of Greek economy with metals and minerals as bauxite, nickel, magnesium, lead, zinc, silver extracted. Greece was an important producer of gold in ancient times but deposits of easily recoverable gold were thought to be depleted before the times of modern technology. However, after TVX Gold from Canada bought the Cassandra Mine complex in 1995, several others followed. Greenwich Resources buying the Sapes gold mine, Frontier Pacific (an early supporting company of the European Gold Centre) buying the Perama gold mine, Rio Tinto owning a 300km<sup>2</sup> concession at Kilkis and European Goldfields taking over the Cassandra mine. After a long struggle about mining and exploration activities in the country, the Greek government decided to change the legal framework to allow granting permits to bring gold mines in production, something that many never thought to be possible.

And how about SPAIN that is now cooperating with new efforts to explore and pursue mining of tin in their 'Western Iberian Tin Province' and then the most amazing and surprising of all, SWITZERLAND where new efforts to explore for gold in the Alps are being prepared.....

I told you before, MINING IN EUROPE is an exciting subject, worth to be followed closely by those investors that recognize why exploration for precious and base metals, uranium, strategic metals, diamonds and other minerals and the eventual mining thereof are a fascinating, challenging and potentially rewardable investment target. An industry still largely unkown and untapped but certainly emerging! Worthy to be covered, MINING IN EUROPE will do it.

SUPPORTING COMPANIES

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NEXT MONTH'S  
INTRODUCTION


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 When I was preparing my writing about **TOURNIGAN ENERGY LTD. (TSXV-TVC, FFT-TGP)** as the **NEW SUPPORTING COMPANY** that I hereby introduce to you, I noticed quite a few similarities with the introduction of last month. Like most European countries that are using nuclear energy, also **SLOVAKIA** is importing all their enriched uranium to feed their two nuclear plants that produce more than 50% of the country's electricity. **Tournigan already has an impressive (look at the grades!) NI43-101 compliant resource in place and is drilling to add more indicated** from their inferred resource. The company is looking to make further progress towards completion of its **next resource estimate** in the next few months which will lead to a Prefeasibility Study later in the year. Meanwhile it is simultaneously pursuing its baseline environmental studies. I look forward to bring these exciting developments to you in the future issues.

 Last month, I included Part One of the abbreviated version of a 2008 communication report from the European Commission to the Council about its plans to introduce a Raw Materials Initiative, including mining and exploration. In this issue, you will find Part Two of the **Featured Article "European Commission would like to see natural resources to be taken seriously"**.

 In the **HIGHLIGHTED CORPORATE NEWS** item news on the recent developments of several mining and exploration companies, including **SUPPORTING COMPANY Mawson Resources Ltd.** In addition, some remarkable news about two new companies, that will join the search for metals in Europe, one pursuing the development of **a tin mine in Spain** and the other starting **exploring for gold in Switzerland** (and not on and under the Bahnhofstrasse.....). It is nice to also be able to introduce new initiatives in European mining and exporation.

 Finally, I want to thank those of you who reacted so positively on the first issue of **MINING IN EUROPE**. Your feedback strengthens my belief that this publication will succeed to emerge as **the leading messenger of information on the development of Europe's natural resources**.

Henk J. Krasenberg

NEW SUPPORTING COMPANY



TSXV-TVC: price Jan 20 C\$0.27, FFT-TGP – shares outstanding 122.7 million – fully diluted 130.9 million

**BUILDING HIGH GRADE URANIUM RESOURCES  
TO BE READY FOR AN EMERGING MARKET  
-EUROPE BECOMES MORE RECEPTIVE TO NUCLEAR POWER-**



Tournigan has been in **SLOVAKIA** for over six years, originally for the exploration of gold at its Kremnica Gold Project but as it so often goes with exploration companies, developments are urging a change into a different direction. By 2009, the gold project had already become a non-core asset and was sold. Also in 2009, Tournigan sold its Irish Curraghinalt gold licenses. These two sales reflected what in reality had been taking place already during the last few years: Tournigan had made a choice to **concentrate on the development of its high-grade uranium assets with a clear target to bring it to a stage where a production decision can be made.**

As is the case in several other European countries, Slovakia is using nuclear power for its energy needs, now having grown to over 50% and derived from **4 reactors currently operating at 2 plants at Mochovce**. Two older plants at Bohunice have been in operation from as early as 1984 but were closed in respectively 2006 and 2008 as a precondition for Slovakia's entry into the European Union in 2004.

However, the support of the public and also the political scene in Slovakia has been increasing, in line with the overall change of attitude towards the acceptance of nuclear energy in Europe and other parts in the world. Currently, **two new reactors are under construction** in Slovakia and more capacity is being proposed. Here, it is worthwhile to mention that the nuclear reactor operations and expansions are in the hands of the **state-owned Slovak Electric (SE) utility**, in which the Italian ENEL has a 66% interest since 2004. In other developments, Slovakia has established **nuclear cooperation agreements with France and Russia and Slovakia co-chairs the European Nuclear Energy Forum**, a function of the European Commission's Energy Policy, together with the Czech Republic. The close ties with the Czech are resembling the good relationship between the two neighbours which velvety divorced from their Czechoslovakia marriage in 1993 after having been partners since 1917. They will even cooperate in the **new joint venture that just got the final approval from the Slovakia government last December** to develop a new fifth nuclear power station at Bohunice. The jv will be 51% owned by Slovakian state-owned Javys company, with Czech utility CEZ holding the remaining 49%. Construction on the new Bohunice plant is planned to begin in 2013, looking to a startup date of 2020.



Mochovce Nuclear Station - Slovak Republic

With now already 50% of the electricity for Slovakia coming from nuclear power plants and the expansion that is now underway and planned, it is obviously interesting to see where the feed for the reactors is coming from. Well, until now it is not coming from sources within the country itself. Not so surprising as we see the same situation in almost all other European countries that are using nuclear energy, **they are importing all the uranium they need. That is bound to change sooner or later.** The following government statement of October 15, 2008 is a good indication of that change: "**Legislative and economic support of efficient and rational use of domestic sources of uranium ores has the potential to decrease the country's considerable dependency on supplies of energy resources.**" So whenever the government will be ready, the ore is there and Tournigan is there, to accept the challenge and to be the leader of the pack.

**THE COMPANY**

Tournigan Energy has 100% interest in a portfolio of 6 uranium exploration licenses in Slovakia that cover 151.8km<sup>2</sup> with the **Kuriskova Project** being the most advanced. The Kuriskova property consists of 32km<sup>2</sup> of mineral claims ▶

NEW SUPPORTING COMPANY



► approximately 10km northwest of the city of Košice, a regional industrial centre in eastern Slovakia. The property, which is easily accessible, lies close to the main road between Košice in the southeast and the town of Spišská Nová Ves in the northwest. The project is accessible off the main road along a network of minor, unsurfaced tracks that traverse the forest, and give access to the project area.

Since it acquired the property in 2005, Tournigan drilled 48,671 on the project. The latest resource estimate is NI43-101 compliant, dates from February 2009 and amounted to a **total indicated resource of 14.65 million pounds at 0.558%(!) U<sub>3</sub>O<sub>8</sub>** and a **total inferred resource of 17.90 million pounds at 0.215% U<sub>3</sub>O<sub>8</sub>**. Noteworthy is the presence of a good content of molybdenum, currently estimated at **3.36 million pounds at 0.03% Mo in the resource**. These figures represented a significant increase from the previous estimates, dating from July 2008.

The high-grade, underground resource is fully open at depth and along strike. The currently underway step-out and infill drilling of the 2009-2010 exploration program is intended to move more of the inferred resource to the indicated category.



In June of 2009, Tournigan announced the results of a positive **Preliminary Assessment** of the Kuriskova uranium deposit prepared by independent consultant Pincock, Allen & Holt (PAH). The study revealed that the Kuriskova project has **robust economic potential** and could be developed using conventional mining and processing methods. The currently estimated mineral resources provide for underground **mining at a rate of 276,000 tonnes of material per year for approximately 15 years**. Initial metallurgical test work to date suggest that **uranium and molybdenum recoveries of 90%** can be achieved using conventional flotation and alkaline leaching circuits that would produce separate uranium (yellowcake) and molybdenum concentrates. **The average annual production of concentrates would be approximately 627 tonnes of uranium oxide (U<sub>3</sub>O<sub>8</sub>) and 42 tonnes of molybdenum in molybdenite**. Project economics in the base case analysis are based on these figures. **The base case internal rate of return (IRR) is estimated at 35.8% on a pre-tax basis with a 1.6 year payback after**

production start-up on an estimated initial capital cost of US\$168 million. Production costs are estimated to be substantially below projected long-term sales prices.

Independent Study By Pincock, Allen & Holt - July 2009*		
Kuriskova Project Economics		
Description	Units	Value
Mine Life	Years	15
Uranium Production (Average First 5 Years)	000 lbs U <sub>3</sub> O <sub>8</sub> /Year	2,395
Uranium Production (Average Life of Mine)	000 lbs U <sub>3</sub> O <sub>8</sub> /Year	1,382
Uranium Recovery	%	90
Uranium Price	US\$/lb U <sub>3</sub> O <sub>8</sub>	69.00
Initial Capital Investments (1)	US\$ millions	168
Operating Cost - First 5 Years (2)	US\$/lb U <sub>3</sub> O <sub>8</sub>	17
Operating Cost - (Average Life of Mine) (2)	US\$/lb U <sub>3</sub> O <sub>8</sub>	32
Estimated Royalty Payment (Average Life of Mine)	US\$/lb U <sub>3</sub> O <sub>8</sub>	3
Net Present Value @ 12% (3)	US\$ millions	135
Payback Period (4)	Years	1.6
Internal Rate of Return (3)	%	35.8

(1) Includes 20% contingencies.  
 (2) The royalty and inclusive of molybdenum credit at \$22.50/lb Mo.  
 (3) The base.  
 (4) Assumes 1 year construction period.

The development of the Kuriskova uranium project could provide Slovakia with a secure source of uranium for approximately 30 years at its current consumption rate. This potential energy source is in line with the Slovakian Strategy of Energy Security.

**TOURNIGAN PREPARING TO ASSUME POSITION OF URANIUM PRODUCER**

In the past, I have been looking at Tournigan because it was exploring for gold in SLOVAKIA. If you see the developments that the company has been going through in the last few years, it is not surprising at all that it has made the choice to concentrate on uranium exploration in the country that it knows so well and then in particular on the Kuriskova project. The progress that Tournigan has made at the Kuriskova seems to coincide nicely with the progress Slovakia has made with its nuclear energy policy. After the close of the two oldest reactors, instigated by its joining of the European Union, the remaining two reactors have been upgraded but are still based on Russian technology and working on Russian gas. With the involvement of European giants like ENEL, Areva, Siemens, the planned expansion will be based upon western technology and suited for mixed fuel. Key is the government's wish to become less dependent on imported ores. Like I said above, the ore can be there whenever the government should want it. Tournigan wants to be ready for it and it does not have to worry about markets beyond Slovakia as they are there already. With the significance of the Kuriskova project, Tournigan aims to become the first and main, if not only uranium producer in Slovakia. In my view, the future looks bright for Tournigan, as a successful producer, as a well-managed and potentially very profitable resource company, and as a company with a market cap that hardly reflects its potential.



[www.tournigan.com](http://www.tournigan.com)



HIGHLIGHTED CORPORATE NEWS



**EMED Mining plc**  
AIM-EMED: price Jan 19 - 14.50p



**EMED Mining is exploring for copper and gold in SLOVAKIA and SPAIN.**

\*EMED Mining has commented on the outcome of some recent court rulings in SPAIN which all serve to support the company's proposed plans to restart the Rio Tinto Mine. The court rulings were in relation to disputes between various previous stakeholders in the project and neither EMED Mining nor any of its subsidiaries were a party to any of the proceedings. Whilst these rulings are not directly part of the formal approval process for the restart of the Rio Tinto Mine which is now underway, the ongoing cleanup of such legacy issues removes some of the potential complications and delays to this process. EMED's Managing Director, Harry Anagnostaras-Adams said: *"The restart of the Rio Tinto Mine is considered to be relatively straightforward from an operational perspective. We merely start-up a long-standing facility and update its control systems to meet industry improvements that have been developed over the past 20 years. However, progress in gaining approval from the relevant Spanish authorities for the restart has to date been hampered by disputes between various previous stakeholders. It is pleasing that these various court rulings help in clearing the decks for the restart."* \*\*For full information on the company and its projects: [www.emed-mining.com](http://www.emed-mining.com).



**EurOmax Resources Limited**  
TSXV-EOX: price Jan 19 – C\$0.27



**EurOmax Resources has gold and base metal projects in BULGARIA, MACEDONIA and SERBIA.**

\*EurOmax Resources has commenced a 4,000m reverse circulation drilling program which will systematically test 5 km of the strike of the previously mapped copper bearing **Kazandol copper zone** in MACEDONIA. Road and drill pad construction has been completed and 53 drillholes permitted. \*\*For full information on the company and its projects: [www.euromaxresources.com](http://www.euromaxresources.com).



**Gold-Ore Resources Ltd.**  
TSXV-GOZ: price Jan 19 – C\$0.54



**Gold-Ore Resources is operating the only producing gold mine in SWEDEN, the Bjorkdal Gold**

**Mine. From 1988 to 1999 Bjorkdal operated as an open pit mine, however, during the period 2001 to 2006 there was minimal mining at the site and feed for the plant was provided from low grade stockpiles from previous open pit mining. Gold-Ore started underground mining in 2006 on a test basis and has been gradually increasing the underground mining rate while re-instating mining in the open pit.**

\*In an update on the operations at the 100%-owned Bjorkdal. The 2009 fiscal year (ending November 30, 2009) was the first year of commercial production at **Bjorkdal Gold Mine** in SWEDEN under the 100% ownership of Gold-Ore. It marks the company's transition from junior explorer to junior producer. This milestone was achieved with no debt, no forward gold sales and only modest share dilution. Gold production at the mine has started the 2010 fiscal year on a positive trend with December 2009 production setting a record of 3,865 ounces (120.2 kilograms). One of the company's objectives for fiscal 2010 is to produce over 40,000 ounces of gold, including the 1,000,000<sup>th</sup> ounce of gold in the life of the mine. \*\*For full information on the company and its projects: [www.goldorerresources.com](http://www.goldorerresources.com).



**Inmet Mining Corporation**  
TSX-IMN: price Jan 20 – C\$68.62



**Inmet Mining is producing copper from its operations in TURKEY, FINLAND, SPAIN, Canada and Papua New Guinea; it is producing zinc and gold from operations in TURKEY and FINLAND. Inmet has one property in development in Panama and is focused on exploration in FINLAND, SWEDEN, Chile, Peru and Mexico.**

\*Inmet has reported its preliminary 2009 operations results. Copper production was slightly below its previously stated estimate because production at the **Las Cruces project** in SPAIN was lower than expected. Zinc and gold production were both slightly higher than last estimated. Of its total 83,600 tonnes of copper produced, 57% came from the operations in TURKEY, FINLAND and SPAIN. \*\*For full information on the company and its projects: [www.inmetmining.com](http://www.inmetmining.com).



**Mawson Resources Ltd.**  
TSX-MAW: price Jan 19 – C\$0.42



**Mawson Resources aims to become one of the major contenders to supply the**

**resources for the energy of the future, nuclear power. With an excellent base of uranium properties in SWEDEN and FINLAND, the company has every chance to become a success story. One first NI43-101 compliant resource in place, an ambitious winter exploration program in process and another NI43-101 compliant resource estimate underway can bring Mawson quite well forward over the next few months.**

\***Mawson Resources** has commenced a near-surface diamond drilling program at its **Duobblon uranium project** in northern SWEDEN where an inferred NI43-101-compliant resource of 13.8Mt at 0.03% U<sub>3</sub>O<sub>8</sub> (8.8 Mlbs U<sub>3</sub>O<sub>8</sub>) has previously been calculated. Mineralization extends from 3m below surface to at least 300m vertical depth. The host sequence is approximately 60m thick and is known over a strike length in excess of 5 km. The richest uranium concentrations occur as several 5-25m thick and 1,000m long horizons. The company plans to drill 48 holes over a strike length of 5.7km on a grid pattern of 400m by 100m. The average depth of each hole is anticipated to be 6m. The aim of the program is to test for **potential mineralized strike extensions along strike** from the NI43-101 compliant 8.8Mlb inferred resource beneath the thin soil cover. Mawson's President Michael Hudson states: *"We are pleased to have commenced drill testing extensions of at Duobblon, which remains as Sweden's largest hard rock uranium resource. The company plans to create shareholder value in 2010 by further exploration of its diverse uranium exploration portfolio in Scandinavia and potential new acquisitions."* \*As to the planned shallow drill program within the **Hotagen uranium project** (Klappibacken North, Nöjdfället North, Ravinen and Urban Hill), Mawson now anticipates that drilling will not commence before summer 2010 as final approvals have been delayed. \*\*For full information on the company and its projects: [www.mawsonresources.com](http://www.mawsonresources.com).



## HIGHLIGHTED CORPORATE NEWS



**Northland Resources Inc.**  
TSX-NAU: price Jan 19 – C\$1.90



Northland Resources envisions to become an emerging producer of high quality iron concentrate and other downstream iron products from its operations in SWEDEN and FINLAND. The most advanced of its projects is the Kaunisvaara Iron Concentrate Project in northern SWEDEN where it is currently preparing a Feasibility Study after a Preliminary Economic Assessment on the project completed last fall that it was technically feasible and economically robust. Also the Hannukainen Iron Project in northern FINLAND is an advanced exploration project with an established deposit.

\*Northland Resources has taken the next step in managing the seaborne transportation of its iron products. Northland has entered into an agreement with Oy Finnshipping Ltd which was manage all of Northland's shipping activities. \*The Board of Directors of Northland has appointed Karl-Axel Waplan as President and Chief Executive Officer of the company. Until now Mr. Waplan, who previously held executive positions with Lundin Mining and Boliden, has served as Northland's Executive Vice President, Sweden, overseeing the development of the Kaunisvaara Iron Ore Project. \*Northland Resources' shareholders have approved the continuation of the corporation from British Columbia to Luxemburg. Management feels that this is in the best interests of the shareholders and the company and consistent with the objective of integrating into Europe to facilitate development of its European assets. \*\*For full information on the company and its projects: [www.northlandresourcesinc.com](http://www.northlandresourcesinc.com)



**Orvana Minerals Corp.**  
TSX-ORV: price Jan 19 – C\$1.18



Orvana Minerals is producing gold from its Don Mario Mine in Bolivia and is developing its Copperwood project in Michigan, USA to production, scheduled to commence in 2013. In the second half of 2009, Orvana completed the acquisition of Kinbauri Gold Corp. which held the El Valle-Boinás/Carlés project in northern SPAIN. This area produced about 950,000 ounces of gold and nearly 14,000 tonnes of copper during the period 1997-2006, about 90% by open-pit methods. Kinbauri completed surface and underground drilling successfully during 2007-2008, increasing resources throughout the district.

\*Orvana is expeditiously advancing the El Valle-Boinás/Carlés gold-copper project, located in the Rio Narcea Gold Belt. In November 2009, Orvana began implementing a plan to reactivate production.. Senior management and staff are diligently working on a number of initiatives, including renewing and activating permits, preparing a mine plan and rehabilitating certain infrastructure. Important milestones achieved include the approval from regional authorities to restart mining activities, the award of blasting permits, the improvement of the access portals, the purchase of underground equipment, and the definition of mining methods and the related costs. Orvana is also conducting a drilling program in order to convert inferred resources to measured/indicated resources in mineralized areas that it plans to mine in the early years. Restart of production is slated to begin in the first half of fiscal 2011. \*\*For full information on the company and its projects: [www.orvana.com](http://www.orvana.com)



**Tasman Metals Ltd.**  
TSXV-TSM: price Jan 19 – C\$0.70



Tasman Metals is focused on Strategic Metals in the European region. Strategic metal demand is increasing, due to their unique properties that make them essential for high technology and environmentally-beneficial applications. Strategic metals include the 15 rare earth elements ("REE"), and also zirconium, yttrium and niobium. Since over 95% of REE supply is currently sourced from China, the EU is actively supporting policy to promote the domestic supply of strategic metals to secure high-tech industry. Tasman has acquired interests in REE projects in NORWAY, FINLAND and SWEDEN and iron ore projects in the latter two.

\*In December, Tasman Metals has commenced its first drilling program at its 100% owned Norra Karr Rare Earth Element project in SWEDEN. The project is located in southern Sweden, 300km SW of the capital Stockholm and lies in mixed farming and forestry land. The site is well serviced by power, roads and water allowing all year round access, plus a local skilled community. Historical trench sampling by Boliden at Norra Karr provides an exploration target to a depth of 55m of 35 to 40 million tonnes at grades ranging between 0.4-0.6% Total Rare Earth Oxides (TREO), 1.5-1.9% ZrO<sub>2</sub> and 0.2-0.4% Hf. The potential quantity and grade indicated for the exploration target is conceptual in nature and there has been insufficient exploration to define the target at this time. \*Drilling has resumed following the end of year break at the Norra Karr Rare Earth Element project. Drilling prior to the break progressed well, with approximately one third of the proposed program completed. \*\*For full information on the company and its projects: [www.tasmanmetals.com](http://www.tasmanmetals.com)



**Tumi Resources Limited**  
TSXV-TM: price Jan 19 – C\$0.135



The initial focus of Tumi Resources is Mexico where it is continuing advanced exploration to advance the La Trini project and seek new mineralization elsewhere. Research for new silver projects led Tumi to the Bergslagen District of south-central SWEDEN where Tumi has already made significant acquisitions, including the historic Sala silver mine, making Tumi a major stakeholder in this famous gold and silver district.

\*Tumi Resources is undertaking geophysics on three of its license areas in SWEDEN, Vittum, Jonsmossen and Lovasen. The objective of the survey at Jonsmossen and Lovasen is to pinpoint the source depth of EM anomalies discovered by an airborne geophysical survey performed in 2008. This survey will allow very accurate targeting for initial drill programs in both areas. Three, 600m long, pole-dipole IP lines are planned for the Jonsmossen licence area, and two, 600m long lines are planned for Lovasen. At Vittum a ground geophysical program is planned to further investigate the area surveyed by the same technique completed within the Vittum licences in May, 2008. A 650m by 700m grid, with lines at 50m spacing and totaling 9.1 line-km, is planned for these licence areas. The surveys are scheduled for mid-January 2010 and are expected to take about two weeks to complete. The company is in the process of acquiring all necessary permits and is getting quotes from geophysical consulting companies. \*\*For full information on the company and its projects: [www.tumiresources.com](http://www.tumiresources.com)



mining and exploration companies that wish to see their news releases included here, can contact: [miningineurope@gmail.com](mailto:miningineurope@gmail.com)

FEATURED ARTICLE

*European Commission would like to see natural resources to be taken seriously*

PART TWO:

THE WAY FORWARD TO BECOME LESS DEPENDENT ON THE REST OF THE WORLD FOR OUR RAW MATERIALS

an excerpt of a communication report from the Commission of the European Communities to the European parliament and the Council, adapted by the European Gold Centre to comprise the full context of the report into the context of this issue.

Industrialised countries like Japan and the US have recognised their critical dependence on particular raw materials and are pursuing specific policies for safeguarding their raw material supply. The US, for example, has defined raw materials that are strategically relevant and also maintains a stockpile of raw materials that are crucial for its defence industry. Japan has also engaged in ensuring the critical access to raw materials. Although some EU Member States are pursuing specific policies, there has been no integrated policy response at EU level up to now to ensure that it has sufficient access to raw materials at fair and undistorted prices. It is proposed that the EU should agree on an integrated raw materials strategy. Such a strategy should be based on the following 3 pillars: 1. ensure **access to raw materials** from international markets under the same conditions as other industrial competitors; 2. set the right **framework conditions** within the EU in order to foster sustainable supply of raw materials from European sources; 3. boost overall resource efficiency and promote recycling to **reduce the EU's consumption of primary raw materials** and decrease the relative import dependence.

**First pillar: Access to raw materials on world markets at undistorted conditions**

The EU should actively pursue **raw materials diplomacy** with a view to securing access to raw materials. This includes better and more effective coordination and coherence among EU external policies (external relations, trade, and development). It also means coordination at EU level in the management of EU strategic partnerships with countries like Brazil, Canada, China, India, Japan, Russia and the US and policy dialogues with emerging economies, following “mutual interest” principles.

Moreover, the EU should promote enhanced **international cooperation**. The Commission will support awareness-raising in such fora such as the G8, OECD, UNCTAD, UNEP and explore cooperation opportunities with international organisations such as the World Bank and the International Seabed Authority. The Commission is also committed to supporting respect for international corporate social responsibility instruments and will continue to support international initiatives to promote transparency in the extractive sector such as the Kimberly Process Certification Scheme and EITI.

Access to primary and secondary raw materials should become a priority in **EU trade and regulatory policy**. Trade and regulatory policy can improve access to raw materials in the following ways: the EU should \*promote new rules and agreements on sustainable access to raw materials where necessary, \*work towards the elimination of trade distorting measures taken by third countries, \*ensure that any distortion in the cost of raw materials resulting from dual-pricing practices or other mechanisms in operation in the exporting country is addressed, \*take appropriate action to ensure that the various trade policy instruments are applied, \*besides external impediments to raw materials supply, also keep under review the EU tariff regime with a view to ensuring coherence with developments in EU demand for raw materials, \*in cases of anti-competitive agreements or market concentration.

Many important raw materials are located in developing countries in Africa or in other developing countries. There is an obvious case for coherence between **EU development policy** and the EU's need for undistorted access to raw materials in order to create win-win situations: Good governance, transparency of mining deals and mining revenue, a level playing field of all companies, financing opportunities, sound taxation regimes and sound development practices are beneficial for both developing countries and the EU's access to raw materials. Development policies play a relevant role in this respect at three levels: **A. Strengthening States, B. Promote a sound investment climate, C. Promote sustainable management of raw materials**. The development policy also focuses on helping partner countries improving their social and environmental standards, improving human rights conditions, and combating child labour, in particular as regards the growing sector of artisanal and small-scale mining that gives a living to about 100 million people.

●●● **Second pillar: Foster sustainable supply of raw materials from European sources**

● *To facilitate the sustainable supply of raw materials from European deposits, it is important to have the right **framework conditions** in place. Access to land is a key requirement for the extractive industry, but the area available for extraction in the EU is being steadily squeezed out by other land uses. Furthermore, in the EU it is not unusual for 8-10 years to elapse between the discovery of deposits and actual production. Experience points to the need to streamline the administrative conditions and speed up the permit process for exploration and extraction activities. Member States are increasingly aware of these challenges – for example, Sweden has modernised its mining legislation and introduced lead times in the permit process. ▶*



FEATURED ARTICLE

THE WAY FORWARD TO BECOME LESS DEPENDENT ON THE REST OF THE WORLD FOR OUR RAW MATERIALS

►● *The sustainable supply of raw materials based in the EU requires that **the knowledge base** of mineral deposits within the EU will be improved. In addition, the long term access to these deposits should be taken into account in land use planning. Therefore the Commission recommends that the national **geological surveys** become more actively involved in land use planning within the Member States. In line with the principle of subsidiarity, the Commission proposes to provide a platform for Member States to exchange best practices in the area of land use planning (such as for example the Austrian Minerals Plan) and other important framework conditions for the extractive industry.*

- *Moreover, the Commission recommends better **networking between the national geological surveys** to facilitate the exchange of information and improve the interoperability of data and their dissemination, with particular attention to the needs of SMEs. Additionally, the Commission, in conjunction with Member States, will look into developing a medium to long term strategy for integrating sub-surface components into the Land service of Kopernikus, which can feed into land-use planning and improve its quality.*

- *Most of the legislation at EU level relevant to the non-energy extractive industry is horizontal. The implementation of the Natura 2000 legislation is of particular relevance for the extractive industry. During the public consultation industry raised concerns about sometimes competing objectives between the protection of Natura 2000 areas and the development of extractive activities in Europe. Whereas the Commission stresses that there is no absolute exclusion of extractive operations within the Natura 2000 legal framework, the Commission and Member States have committed themselves to developing guidelines for industry and authorities in order to clarify how extraction activities in or near Natura 2000 areas can be reconciled with environmental protection.*

- *To tackle the technological challenges related to sustainable mineral production, the Commission will **promote research projects** that focus on the extraction and processing of raw materials in its 7<sup>th</sup> Framework Programme (FP7). The European Technology Platform on Sustainable Mineral Resources focuses on innovative exploration technologies to identify deeply located onshore and offshore resources (including deep sea mining), and new extraction technologies to maximise economic and environmental benefits. The Waterborne Technology platform will undertake research for technologies that allow for a future sustainable exploitation of the seabed.*

- *The extractive industry is an important driver of economic growth in some more remote European regions. **Cohesion policy funding**, in particular under the European Regional Development Fund, is available to support a range of research, innovation and business support measures for raw material exploration and exploitation.*

- *As is the case for other industries, the growing problem of **skills shortage** will have an impact on the future of the European mining industry. In addition there is still limited **public awareness** of the importance of domestic raw materials for the European economy. More effective partnerships between universities, geological surveys and industry should be encouraged to address these challenges. The Commission will encourage initiatives such as the European Minerals Day and will also foster the generation of new high skills on geology, earth observation and environmental issues, notably through the Erasmus Mundus Minerals and Environmental Programme (2009-2013) joint master and doctoral study programmes, to help counter this shortage. As a safe working environment is essential to attract skilled personnel, the Commission will also support actions to improve worker protection.*

### Third pillar: Reduce the EU's consumption of primary raw materials

Resource efficiency, recycling, substitution and the increased use of renewable raw materials should be promoted in view of easing the critical dependence of the EU on primary raw materials, reduce import dependency, and improve the environmental balance, as well as meeting industrial needs for raw materials. This should be seen as part of the transition towards sustainable production and consumption patterns and a resource efficient EU economy.

In a recent Action Plan on Sustainable Consumption and Production and Sustainable Industrial Policy, the Commission aims to give further impetus to **resource efficiency** and eco-innovative production processes, to reduce dependency on raw materials and to encourage optimal resource use and recycling. The Commission is promoting research projects that focus on **resource-efficient products** and production.

In addition, the Eco-Design Directive includes provisions for the design of resource-efficient products. Research will also play a major role in developing substitutes, in the interests of flexibility in the production process and reduced vulnerability to import dependence. In the EU, the Data Centres on natural resources, products and waste will coordinate Member State input.

The increased use of **secondary raw materials** contributes to the security of supply and energy efficiency. However, today, many end-of-life products do not enter into sound recycling channels, resulting in an irremediable loss of valuable secondary raw materials. There are indications that a significant percentage of all EU waste shipments do not comply with the rules, though the situation in Member States varies considerably. This mainly concerns exports of end-of-life vehicles and electronic equipment, which leave Europe as reusable products but end up being dismantled abroad.

Furthermore, the classification of waste for shipment is interpreted differently by the Member States, creating barriers to the internal market for scrap and hence trade distortions. This is all the more regrettable since the physical transport of exported end-of-life products and imported raw materials (derived from the recycling outside the EU under less strict regulatory conditions) leads to significant environmental leakage. ►



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► In their **relations with third countries**, the Commission and Member States should ensure that the treatment of waste takes place under fair and sustainable conditions. The Commission will work with Member States to raise awareness and ensure the sound and harmonised enforcement of the Waste Shipment Regulation (implementing the Basel Convention), for instance by better specifying the criteria for denying export authorisation of end-of-life products. In cooperation with the Member States, it will propose more effective control mechanisms on waste shipments and release information on illegal shipment flows.

The **recycling of secondary raw materials** will be facilitated by the full implementation and enforcement of relevant recycling legislation as well as by the new provisions in the Waste Framework Directive on when waste ceases to be waste. The Directive will also require Member States to meet collection targets for the re-use and recycling of metals, paper, glass and non-hazardous construction and demolition waste.

To boost the reuse or **recycling** of products and materials at a significant economy of scale within the EU, a fair and transparent market is essential, based on agreed minimum standards, certification schemes where appropriate, within proportionate legal framework conditions. The Action Plan (2008-2011) for the Lead Market Initiative on recycling will encourage recycling markets through the following measures: legislation, standards and labelling, public procurement, financing, knowledge sharing and international action.

**Renewable raw materials** are a scarce resource for European industry, such as the chemical and wood processing industries, due to limited areas for cultivation and in some cases potentially competing uses. National and EU policies for renewable raw materials have potential effects on industrial users. Therefore, the Commission will monitor and report on the impact of increased demand for biomass on biomass using sectors.

#### THE WAY FORWARD

The challenges in ensuring a sustainable supply of non-energy raw materials for the EU economy are multiple, complex, and interrelated. These challenges are likely to persist, or even increase. There is need for a decisive European response in order to ensure European competitiveness. Therefore, the issue of raw materials requires high level political attention and should be addressed in an integrated EU strategy that ties together various EU policies and promotes further cooperation between the Member States where appropriate. The three pillars of the proposed strategy aim to ensure a level playing field in access to resources in third countries, better framework conditions for extracting raw materials within the EU and a reduced consumption of primary raw materials by increasing resource efficiency and promoting recycling.

IN ITS 2008 REPORT, THE COMMISSION PROPOSED TO LAUNCH A “EUROPEAN RAW MATERIAL INITIATIVE. THE COMMISSION WILL REPORT TO THE COUNCIL IN 2 YEARS ON THE IMPLEMENTATION OF THE RAW MATERIALS INITIATIVE.

Part One and Part Two of this Featured Article have been abbreviated by the Editor of Mining in Europe with the utmost care to reflect the full context of the original report.

The full report can be found on the internet at

<http://ec.europa.eu/enterprise/newsroom/cf/document.cfm?action...doc>



## MINING INVESTMENT EVENTS IN EUROPE

January 27, 2010

Uranium Day  
London, UK

[www.mining-journal.com/investor/](http://www.mining-journal.com/investor/)

February 10, 2010

Precious Metals Investment Summit  
London, UK

[www.objectivecapitalconferences.com](http://www.objectivecapitalconferences.com)

February 18, 2010

Silver Day  
London, UK

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NEWS ON MINING AND EXPLORATION IN EUROPE

*Two new exploration companies coming to Europe*

**Eurotin Inc.**

**aiming to develop a tin mine in SPAIN**

**TSXV-ERT.P - price Jan 19: C\$0.12 - shares outstanding 10,1 million - fully diluted 10.4 million**

Spain is not only known as a splendid destination for your holidays and your golfing trips, culture and historical explorings, its good food and wines and certainly for its appetite for gold and silver which were brought from countries like Peru, Argentina and Mexico in vast quantities by the Spanish armadas some centuries ago. But in the inner circles of mining and exploration, they know that Spain has a long history of mining, that it is hosting several kinds of natural resources some of which are mined and explored even today without that the rest of the world knows and hears much about it. The country still has an experienced mining workforce, an attractive fiscal regime, a pro-mining environment and an excellent climate and infrastructure. Moreover, it is politically stable with secure mining titles and there is financial support available for exploration and mine development.



A new company that is coming to Spain is **Eurotin Inc.**, which just went public through an amalgamation with a company listed at the TSXV. The company has two principal interests in tin projects in Spain, a 96% interest in the **Oropesa/La Grana** hard rock tin deposits and a 85% interest in the **Santa Maria** elluvial/alluvial tin deposits. Both projects are located in the south of what they call the 'West Iberian Tin Provence'. For 2010, the company has designed an exploration program for the Oropesa which will include an infill drilling program to bring the resource up to NI43-101 standards, to provide mini-bulk-sample for metallurgical test work and to increase the size and grade of the mineral resource. Furthermore, the continuation of tin mineralization at depths of +150m will be tested and a 1200-1500m drilling program of 8 to 10 holes will be completed.

Most of the world's tin production has historically been produced from alluvial deposits with cassiterite (SnO<sub>2</sub>) as the principal mineral of tin. Famous tin containing deposits are the gold fields of South Africa's Witwatersrand, the tin fields of Malaysia and Indonesia, the marine diamond fields of Namibia and South Africa and almost every iron ore, titanium and manganese deposit. **There are no tin mines in the United States and in Europe.** According to the Junta de Extremadura, 280 tonnes of tin in concentrates were extracted from the Santa Maria pit during previous mining operations. Both the Oropesa/La Grana and Santa Maria projects have existing tin resources. Both these resources appear to represent only a small fraction of each project area's potential. Mineable tin mineralization is found on, or close to surface, drill targets are clearly defined without the need for any further geochemistry or geophysical work.

**Referring to the European Commission's wish to make an effort to become less depending on world supplies of raw materials, it will be fascinating to see how Eurotin and its projects will develop. I will give it my close attention.**

**Murray Brook Minerals Corporation**

**planning exploration for gold in SWITZERLAND**

**listing planned - price: NA**

When someone would tell me that he is going to drill for gold in Switzerland, it would come to my mind immediately that the best place to do that would be right in the Bahnhofstrasse in Zurich. Every time I walk there during one of my visits, I am realizing that I am walking on top of the enormous cellars of the big Swiss banks where they store part of their vast gold holdings. So that would be by far my best bet for finding what you are looking for.



Yet, it is quite serious, a new Canadian company intends to come to Switzerland and start an exploration program for gold. It will concentrate on the Surselva district in the south-eastern canton of Graubünden with 43 communes and around 23,000 residents. According to Murray Brook Minerals, the rock in the Surselva region of canton Graubünden could have the highest grade gold in the entire Alps – up to 14 grams a ton. The region has been known for gold since long but mainly by amateur prospectors, who pan for gold particles in the sand of the Rhine. The most famous find is the 48.7gram “Desertina nugget”. But even a find like that does not mean that it is easy to develop a mining district as the Geneva company Minalp experienced in the 1980’s. When exploration began commercially in Surselva in the late 1980s, the project that was developed furthest was the one by Minalp. However, this area, although one of the major gold bearing structures of the Swiss Alps, was never methodically explored with modern geological and scientific techniques.



Minalp still holds a concession of around 256km<sup>2</sup> around the town of Disentis. The exploration permit runs to 2012 with provisions for automatic renewals. Murray Brook Minerals acquired Minalp in May 2009 and completed a NI-43-101 report in August 2009. This report has been the basis upon which the 2010 exploration program has been designed. The company will prepare a detailed outline for a 60km<sup>2</sup> zone by spring, which will be followed by drilling to depths of 6,000m in ten different places. The company has budgeted SFr2.5 million (\$2.47 million) for this first phase. Murray Brook is in the process of completing a reverse take over which will provide it with a listing of its shares at the CNSX.

**Drilling for gold in Switzerland is a not-every-day plan, but therefore extra interesting. I will follow these developments closely for you and report them when they occur.**



**MINING IN EUROPE**

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