

## MINING IN EUROPE

INTERNATIONAL TRADE FAIR &amp; CONFERENCE IN THE HEART OF SWEDEN'S MINING INDUSTRY

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April 2010

## THE CASE OF GREECE AND OTHER CASES TO COME: BACK TO BASICS or WELCOME CHINA EUROPE SHOULD STIMULATE EXPLORATION

**USING ITS OWN NATURAL RESOURCES WOULD BE A  
WISE THING TO DO: WHEN WILL THE EC WAKE UP?**

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[www.dragon-mining.com.au](http://www.dragon-mining.com.au)

Being European and writing about mining in Europe, I can't close my eyes for what is happening with Greece. In Europe, the day-to-day attitude in daily life is quite ignorant, like it is happening in some far away country that would hardly be of influence to the world in general and in particular to Europe. But it is not only nearby, what happens in Greece is of significance to whether we have a strong Europe or a Europe full of problems.

Although we always thought that a country cannot go bankrupt as a company can, all of Europe has to bleed when one of the member countries is cutting itself. What is even worse is that it is not only Greece that is wounded but also Spain, Portugal, Ireland and possibly Italy are hurting. Yesterday, Standard & Poor decided to downgrade Spain's credit rating from AA from AA+, which sent a shiver through Europe. However, today the Spanish finance minister, Elena Salgado, hastened herself to downplay this decision by saying the move should be seen as going "from nine to eight"; a reaction that almost became normal as in all other cases of disappointments that later proved to be shocking. Later on the day, S&P clarified that the downgrading was mainly caused by their concerns about Spain's growth prospects following the collapse of its construction bubble.

So after a banking crisis, a credit crisis and an economic crisis, are we now facing a country crisis and eventually a world crisis? A lot, if not everything will depend on how this Greece case will be handled and turned out. We may hope that the way the banking crisis was handled will serve as good lessons. The banks, not troubled by outside events but by their own mistakes, greed and misplaced selfconfidence, were bailed out with



## ► EDITORIAL COMMENT

huge sums of government (read: taxpayers) money without forcing them to accept strict rules and regulations as to their future behaviour and business conduct. We have seen the result. First the big bankers' bonuses continued to be paid, we allowed good-old Lehman Brothers to fail but we also allowed Goldman Sachs to do what they did now. They again felt smarter than many of the rest, showing that their greed is still as big as ever. And in my own home country, we bailed out ABN Amro Bank with huge capital injections: guess who is the largest victim of the recent Goldman Sachs scandal, yes sure enough it is the same ABN Amro Bank.....

It may be obvious that **if**, or rather **when** the other European countries (and the IMF?) save Greece, there should be stringent and strict conditions that both the country and its population will do everything in their power to get their own economy going again by making sacrifices and tightening their belts and utting back on luxury spending. The other side of the coin is that not only the helped countries will have to make sacrifices, also the rest of us should look in the mirror and remember that going back to basics would not be such a bad idea.

One of the basics when you are in trouble is that you analyze what your real strengths and talents are and how you have been using them. Don't we recognize then that over time, we have been shifting far, maybe even too far, from our basics and setting our priorities not in the right order?

One of the things that Europe should address, in my (biased?) opinion, is to stimulate the exploration of its own natural resources. They are there but we have ignored their importance and as a result, they are largely under-explored. Known presences of metals and minerals are neglected because we are afraid they may affect the quality of our lives. The best example can be given with uranium. The energy from fossile sources is known to be in danger and whereas nuclear power has proven to have moved far away from its early failures and become responsible and successful replacements of clean and economic energy. Yet, Europe prefers to buy its uranium ore from other parts of the world while we have proven a real big supply of it in several European countries. Using its own uranium would be a good example of how to turn a liability into an asset. Other examples can be found.

Stimulating the use of Europe's natural resources should be good for European economies. In 2007, the European Commission issued its report "**The Raw Materials Initiative – meeting our critical needs for growth and jobs in Europe**" to the European Parliament and Council and promised that a **European Raw Material Initiative** would be implemented before or by 2010. I am waiting with great interest, although it is still awfully silent in Brussels when it comes to resource matters! We will see!

In these cloudy times, it should be good to induce European and foreign companies and investment capital to come to mining and exploration development. The companies that are already active in this part of the world show that it is worthwhile the efforts and that there are attractive opportunities. The growing scarcity of some of the resources in other parts of the world could bring more international resource companies to Europe. I am just curious when we will see the first Chinese mining company entering the scene, they won't have the problem of not having money enough, even US dollars would do.....



I am pleased to be able to introduce a new **SUPPORTING COMPANY** that is starting to pursue building a gold mining company in **ARMENIA** (yes, that is associated to Europe too). Caldera Resources Inc. is off to a good start, they just completed their first project acquisition and it is a very interesting one. They don't have to look for the gold, they can build on the finds of the previous owners. Promising situation!



You will find some changes in the section **COMPANY NEWS**. I have given a more prominent space for the **SUPPORTING COMPANIES** which makes it easier for you to follow them. However, you still can browse through other companies which are now branded as **GUEST news**. The selection is made at random but they include interesting information or cover a certain area. It also serves to get more companies acquainted with the **MINING IN EUROPE** publication as a tool to reach the core group of European institutions and an additional worldwide audience.



There was no way to escape the financial difficulties of Greece. This ongoing saga is indeed serious with the danger that other European countries may follow. I found an interesting look on the situation from **Adam Sharp**, a writer that is keen on problem issues and bearish matters. I give you his reasoning but gave it my own end.



As usual, **MINING INVESTMENT EVENTS** and **NEWS ON MINING IN EUROPE** which complement this issue, of which I am confident that it will get your most serious attention. Enjoy!

Henk J. Krasenberg

# NEW SUPPORTING COMPANY

## SUPPORTING COMPANIES

are mining and exploration companies that have committed to be followed closely and to be fully covered in this publication during a 12-month period. Their support makes this publication possible and enables The Centre to present it to its worldwide audience.

## INTRODUCTION



TSX-CDR: share price Apr 30 C\$0.19 – shares outstanding 26.7 million – fully diluted 41.2 million

## THE CHALLENGE OF GOLD IN ARMENIA BUILDING ON 29 YEARS OF EXPLORATION WORK



**ARMENIA** may not be the first country name that comes up when you discuss Europe; it may even not be a European country in the geographical sense of the word but neither is it an Asian country, it is right in the middle. But according to the European Neighbourhood Policy, the countries in the South Caucasus that signed the agreement are considered to be countries associated to Europe. So, as to the definitions of this publication, Armenia is Europe and companies with mining and exploration activities there fit in my framework for MINING IN EUROPE. **It broadens my and your scope and I find it interesting to see what is happening in the neighbouring countries; hence, I like having Caldera Resources Inc. as a SUPPORTING COMPANY and I am pleased to be able to present this interesting company to you during the next 12 months.**

## ARMENIA, THE COUNTRY

Armenia is located in the southwest Caucasus Region, neighbouring on Georgia and Azerbaijan to the north, Iran and Turkey to the south, and a separate province of Azerbaijan in the southeast. The total area of the country is 29,800 km<sup>2</sup> and it has an estimated population of approximately 3 million, half of whom are living in the nation's capital Yerevan. Armenia has been an independent country since 1991.

In the past, Armenia has been responsible for significant contributions to the former Soviet Union's mining of molybdenum, copper and perlite. Despite relative proximity to rail and port facilities that supplied European markets, the mineral sector's ability to compete on the world market was inhibited by infrastructure problems. Armenia's mining and exploration activities fell still with the 1991 disintegration of the Soviet Union and it took the country until 1995 to invite foreign investment in its mineral industry by open bids for the rights to explore and mine the known 33 mineral deposits.

Armenia possesses the second-largest reserves of copper in the world. Other important reserves are molybdenum, zinc, gold, silver, industrial minerals (mainly granite and marble), and other materials such as betonite, bauxite, perlite, zeolite, and diatomite. In the 1980s, 25% of the Soviet molybdenum was supplied by Armenia. After the mining industry started to recover in 1996, general production increased by 32% in the period 1996-99 and from January to June 2000, it rose an additional 16%.

After food processing and jewelry and diamond processing, Armenia's mining sector was the third-largest industrial sector and the third-largest exporter. In the last few years, the mining sector does well, led by the German metal giant Cronimet which operates Armenia's largest copper and molybdenum mine. Last year Armenia reported a 40% growth in its gold production. **Yet, there is a great potential still to be tapped and reason for Caldera Resources and other companies such as Dundee Precious Metals (TSX-DPM), Lydian International (TSX-LYD) and Global Gold Corp (OTC:VVG) to be there and accept the challenge for gold in Armenia.** Of these companies, Dundee is producing gold and copper at its Deno Gold-Kapan Mine and Global Gold is in small scale production since end 2008 at its Toukmanuk project and growing to an estimated production of 130,000 ounces per year by the end of 2011. **Caldera's management is dedicated to join these producers!** ▶



## NEW SUPPORTING COMPANY



### CALDERA, THE COMPANY

Caldera Resources is a reorganized and newly-capitalized Montreal-based Canadian mineral exploration company with its focus to acquire and develop prospective gold projects in south-eastern Europe in general and Armenia in particular. The company has found two projects so far that met the company's required criteria and succeeded in entering into a **joint venture agreement with Global Gold Corporation to acquire the Marjan Gold-Silver-Polymetallic Project** in Armenia. According to the agreement, Caldera owns 55% of the shares of a newly created joint venture company and be the operator of the project. To maintain its 55% interest, Caldera will issue 500,000 shares from treasury, make payments of US\$ 150,000 and commit to spend US\$ 3,000,000 on the property towards a feasibility study. Caldera also has the opportunity to acquire 100%% interest from Global Gold by paying US\$ 2,850,000 by December 30, 2012 (with extensions provided until December 30, 2014). Global Gold will retain a 1.5% NSR on all production on the Central zone and a 2.5% NSR on all production on the Northern zone.

**THE MARJAN GOLD-SILVER-POLYMETALLIC PROJECT** is situated near Sisian in the south-eastern part of the country and a 6 hour drive from Armenia's capital Yerevan. The license for the property was issued April 22, 2008, runs for 25 years and comprises an area of approximately 18.5km<sup>2</sup>. The property is **situated on the under-explored Tethyan Metallogenic Belt** which extends across central and southeast Europe, Turkey, Iran, Pakistan, through the Himalayan region into Burma, Malaysia, Indonesia and Papua Guinea and contains a wealth of large ore deposits.

The Marjan deposit has a **historical Soviet-era mineral resource**, categorized under the GKZ standards as **C1 and C2 of 4.77 million tonnes grading on average 2.64 g/t gold and 92.67 g/t silver** and mineral resources categorized as **P1 of 3.21 million tonnes grading 2.35 g/t gold and 93.42 g/t silver, for total historical resources of 647,843 ounces of gold and 23,859,510 ounce of silver**. According to the Committee for Mineral Reserves International Reporting Standards (CRIRSCO), C1 and C2 classifications are equivalent to "Measured and Indicated" resources while resources identified as P1 can be compared to the "Inferred" category as defined by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM). The project was reviewed by Ricardo Valls, P. Geo, independent geologist for Caldera. He visited the company's offices, core-shack and staff during his trip to Armenia in December 2009. Mr. Valls, P. Geo, has been engaged to write a **NI 43-101 report which has been completed and deposited** with the TSX Venture Exchange for review.



The Marjan property has been explored extensively by Caldera's predecessors, the Soviets from 1981 to the early 90's and Global Gold in 2006 and 2007. The Soviets completed 12.5 km of underground workings and 3.5 km of core drilling, resulting in 8,000 samples. Global Gold completed an additional 7 km of trenching and 4 km of drilling, resulting in 5,100 samples. Caldera inherited all the data, documentation and samples of all the past exploration programs which are currently being studied to define the most effective working programs for the property. **This summer, Caldera expects to commence a work program with as main objective to qualify the Soviet-era resources as a NI 43-101 compliant resource.**

**THE LICHKVAZ-TEI DEPOSIT** is the second project that Caldera has targeted. It has a Soviet-era GKZ mineral resource, categorized as C1 and C2, of 3.4 million tonnes grading on average 5.1 g/t gold, 33.2 g/t silver and 0.41% copper. The gold ore of this deposit is considered refractory and requires **bioleaching technology** to release the gold from the ore. Caldera has a **Strategic Alliance Agreement with BacTech**, the owner of the patented BACOX Bioleaching Technology, to jointly pursue acquisition of the property from the Armenian government.

### CALDERA, GROUND FLOOR OPPORTUNITY, OFF TO A GOOD START

Caldera Resources may be a very young and upstarting company but it sure is off to a good start. To start a resource company with assets that could be turned in a NI 43-101 compliant resources in just a few months, gives Caldera a significant advantage. No geochems, no geophysics, no greenfields drilling will be necessary to establish the resource estimate. Extensive study and verification of all those years of previous exploration programs could bring Caldera in a position that would take normally several years and substantial capital to accomplish. **Caldera doesn't even have to look for the gold, they 'only' have to go where the Russians found it.**

To me, the Marjan project looks to be a very challenging and interesting project which should reveal the quality and potential of its resources as the results of Caldera's work become available over the next few months. The financing to make Caldera's first programs possible has been arranged as you can read in the COMPANY NEWS section on page 6. Another big plus is that Caldera's President Bill Mavridis has appointed Jim Steel as the company's Qualified Person; Jim is a mining analyst and a geologist who has a vast experience and understanding of the practices, standards and working methods that the Russian geologists followed and used.

The current market capitalization of just over C\$5 million labels Caldera Resources as a groundfloor opportunity from an investment perspective. It is but not for long anymore, I assume. I am very pleased to be able to present this attractive situation to you at this early stage and I will follow the developments very closely.





## COMPANY NEWS

In this section, you will find abbreviated versions of recent news from the SUPPORTING COMPANIES, mining and exploration companies that have committed to be followed closely and to be fully covered in this publication during a 12-month period.

Other companies have chosen to only have their news developments signalled in this section as HIGHLIGHTED NEWS.

You also may find news from GUEST companies that I deem interesting and worthwhile to follow, but that have not committed to be included in this publication.

### *Caldera completed first tranche of oversubscribed financing for exploration in Armenia*



#### **Caldera Resources Inc.**

TSXV-CDR: price Apr 30 – C\$0.19

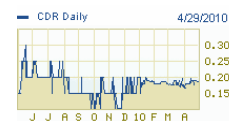


**SUPPORTING COMPANY**

Caldera Resources is a Montreal-based Canadian mineral exploration company with its focus to acquire and develop prospective gold projects in south-eastern Europe and in Armenia. The company has found two projects in ARMENIA that met the company's required criteria: the Marjan Gold-Silver-Polymetallic Project in which it can earn a 55% interest and the Lichkvaz-Tei deposit which it hopes to acquire from the country's government later this year.

■ Caldera Resources has closed the first and second tranche of its non-brokered private placement for combined gross proceeds of C\$810,823.50. The financing is presently oversubscribed and the final closing is for 889.61 Units for total gross proceeds of C\$1,202,973. The proceeds from the financing will be used for the closing of the joint venture agreement with Global Gold Corporation for the Marjan Project, commence the summer work program on the project, proceed with the potential acquisition of the Lichkvaz-Tei project and for general working capital.

■ For full information on the company and its projects: [www.calderaresources.com](http://www.calderaresources.com).



### *Mawson connects to one of the world's largest integrated nuclear companies*



#### **Mawson Resources Limited**

TSXV-MAW: price Apr 30 – C\$0.40



**SUPPORTING COMPANY**

Mawson Resources, a Canadian resource company with an Australian management, 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. Recently, the company diversified its focus with a gold project in Peru.

■ Mawson has signed a set of agreements with Areva, one of the world's largest integrated nuclear companies: •Mawson will acquire 100% of Areva's Finnish uranium exploration portfolio, as well as Areva's Finnish uranium exploration database developed over 10 years of exploring in the country. As consideration Mawson will pay Areva €1 million; •Areva will subscribe to a private placement for 4,696,698 million common shares at a price of \$0.29 in Mawson for a total purchase price of €1 million; •Areva will receive 4,217,012 purchase warrants, exercisable for four years to purchase an equivalent number of common shares for \$1.00 per share.

Mawson's CEO Michael Hudson states, "This transaction effectively doubles Mawson's exploration portfolio and cements Mawson's place as a key European uranium explorer. We welcome Areva, one of the world's key integrated nuclear companies, as one of the Company's largest shareholders. Areva will hold, post-closing, 11% of Mawson and will hold the right to increase its shareholding by up to an additional 8% of Mawson's issued capital via the exercise of the purchase warrants. Additionally, Areva's potential to increase their shareholding at a significant premium to the current share price is a strong vote of confidence in Mawson's Swedish and Finnish uranium portfolio and the Company's business strategy to fuel Europe's future."

The transaction involves three exploration areas in FINLAND that total approximately 16,156 ha. The Riutta granted claims are located in south eastern Finland and comprise 10 claims for approximately 790 ha. The Rompas/Rumavuoma claims are located in north central Finland and comprise 123 claim applications for approximately 11,872 ha. The Asento claims, located near to the Rompas area, consist of 37 claim applications for approximately 3,556 ha.

A data swap between Areva and Mawson was executed at signing and detailed project information is currently being compiled and will be released to the market, in a timely manner, as it becomes available.

■ For full information on the company and its projects: [www.mawsonresources.com](http://www.mawsonresources.com).



### *Three NI 43-101 compliant mineral resource estimates updated in northern Sweden*



#### **Northland Resources S.A.**

TSX-NAU: price Apr 30 – C\$2.90



**SUPPORTING COMPANY**

Northland Resources is a Luxemburg based company dedicated to become an emerging producer of high-grade and high-quality iron concentrates from the centralized production facility to be constructed at the Kaunisvaara Iron Concentrate Project in northern SWEDEN, the most advanced of its projects where it is currently preparing a Feasibility Study. A Preliminary Assessment completed last year said the project is feasible and financially rewarding. Also the Hannukainen Iron Project in northern FINLAND is an advanced exploration project with an established deposit. After the recovery of the iron ore market last year, the Hannukainen is a priority project again.

■ Northland Resources reports that the Swedish Government will co-finance the 18 km rail line from Northland's proposed industrial area in Kaunisvaara, SWEDEN to the existing rail link at Åkesjokisuu, FINLAND. A rail connection from Kaunisvaara to

## COMPANY NEWS

Åkesjokisuu would provide for **more efficient and cost effective iron concentrate transportation**, compared to the pipeline solution proposed in the Kaunisvaara PEA of September 2009. "This announcement confirms the Swedish Government's interest in the development of the Kaunisvaara Project," stated Karl-

Axel Waplan, President and CEO of Northland, "We would like to acknowledge the good support our project has received from the Swedish Transport Administration, together with the Finnish Transport Administration. These are excellent conditions for our ongoing negotiations".

■ Northland Resources has **completed three NI 43-101 compliant updated mineral resource estimates** for the **Tapuli, Sahavaara and Pellivuoma iron ore deposits in northern SWEDEN**. "We have achieved another important milestone in the preparation of the Definitive Feasibility Study on our flagship Kaunisvaara Iron Concentrate Project. We are on schedule to complete the study at the end of the second quarter of 2010," said Mr. Waplan. The Tapuli and Sahavaara resource estimates issued by SRK Consulting (UK) Ltd represent two assets which form the basis of the **Kaunisvaara Definitive Feasibility Study**. Once metallurgical testwork is complete, the study will be expanded in the last quarter of 2010 to include the Pellivuoma resource estimate. **Total Mineral Resources for the Tapuli, Sahavaara and Pellivuoma Kaunisvaara Projects** amount to 251.5 million tonnes grading 31.69% Fe in the combined measured and indicated category and 97.2 million tonnes in the Inferred category, grading 30.94% Fe (see company website).

■ Northland Resources in the MEDIA: Northland was the subject of an **initiating Research Report by Terra Markets of NORWAY**. The report concludes that Northland is conducting a highly promising project and that the shares trade with a significant discount to its fair value. Terra sees more upside hidden as the project moves to its commercialization and in case the company makes progress with its other projects.

■ For full information on the company and its projects: [www.northlandresourcesinc.com](http://www.northlandresourcesinc.com).



### Tournigan increases size and grade of its Kuriskova uranium deposit in Slovakia



#### Tournigan Energy Ltd.

TSXV-TVC, FSE-TGP: price Apr 30 – C\$0.22



**SUPPORTING COMPANY**

Tournigan is a Canadian resource company that has been exploring for uranium and other minerals in SLOVAKIA for over six years. It holds 100% interest in six uranium licences in the Slovak Carpathian uranium belt. The company's flagship is the high-grade Kuriskova property with a NI 43-101 compliant resource of 14.7 million pounds  $U_3O_8$  indicated contained in 1.2 million tonnes at 0.558%  $U_3O_8$  and 17.9 million pounds  $U_3O_8$  inferred contained in 3.8 million tonnes at 0.215%  $U_3O_8$ .

■ Tournigan has **completed the sale** of all of the participation interests of Kremnica Gold s.r.o and Kremnica Gold Mining s.r.o., the holder of the **Kremnica gold deposit to Ortac Resources plc**. Ortac has paid the company US\$100,000 and delivered a US\$1,900,000 non-interest bearing promissory note, secured by all the assets of Ortac, that will be due for settlement upon Ortac completing a Public Listing during 2010. The Promissory Note will be paid as US\$550,000 in cash and US\$1,350,000 in Ortac shares to the equivalent cash value. The cash component will be paid from IPO proceeds and the shares will be issued at the IPO price. If Ortac cannot pay the Promissory Note in 2010 it will have an extension of time to 2011 providing it pays the company 50% of the net proceeds of all equity issues in 2011 until the Promissory Note is paid. In addition, within 60 days of all required permits having been obtained to permit commercial production at the Kremnica property, Ortac will pay Tournigan US\$3,750,000 cash or in Ortac shares to the equivalent cash value being \$15.00 per ounce of the first 250,000 ounces of gold equivalent (gold plus silver) resource defined as proven and probable reserve in the bankable feasibility study. Ortac will grant the company a net smelter return royalty on gold and silver production from the Kremnica property.

■ For the full news release and other information on the company and its projects: [www.tournigan.com](http://www.tournigan.com).



#### Beowulf Mining PLC

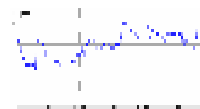
AIM-BEM, AT-BEO: price Apr 30 – 4.25p



**GUEST**

Beowulf Mining is a UK mineral exploration company which is working on 5 exploration projects in SWEDEN which it considers have commercial potential: the Ruotevare Iron Ore Project, the Kallak Iron Ore Project, the Ballek Copper Gold Project, the Grundtrask Gold Project and the Jokkmokk Copper-Gold Project.

\*Beowulf Mining received a **Conceptual Study from the Raw Metals Group** which was initiated in September 2009. The report includes a study on the **Ruotevare and the Kallak projects**. The study concludes that the **economic viability of both iron ore projects is promising** and warrants further geological, mineral processing and economic studies. The RMG study is available at Beowulf's website. \*Beowulf's joint venture partner in the **Ballek Iron Ore Project, Energy Ventures Limited (ASX-EVE)**, has earned a **50% interest** in the project by completing its diamond drilling program comprising a total of 1,601m. Beowulf has recently incorporated a private company in England, Wayland Copper Limited, to further develop the project. \*Beowulf Mining was written up in a **Research Report by Alexander David Securities** which acts a Corporate Broker to the company. This extensive and very interesting report is on the Beowulf website. \*A 3,500m diamond drilling program just commenced this week on the Kallak Project with the objective to further define the quantity and quality of the iron ore that is already known to be present in the license area and to establish a maiden JORC compliant resource/reserve. Initial assay results are anticipated during Q3 2010. \*For full information on the company and its projects: [www.beowulfmining.com](http://www.beowulfmining.com).



#### DAGILEV Dagilev Capital Corp. (soon to become Astur Gold)

TSXV-DCC: price Apr 30 – C\$0.86



**GUEST**

DAGILEV is engaged in the acquisition, exploration, development and operation of precious metal assets in Western Europe. Dagilev's primary focus is the recently acquired advanced Salave gold exploration project near Tapia de Casariego, Province of Asturias, SPAIN. Salave is one of the largest and highest grade undeveloped gold deposits in Western Europe and has a current NI 43-101 compliant total resources of 1,683,000 ounces of gold in measured and indicated and an additional 338,000 in inferred gold. There is excellent exploration potential with four of the principal high grade zones of mineralization open at depth and additional exploration areas to the West. Previous metallurgical tests indicate recovery in the order of 90% and the region has excellent mining infrastructure.

\*Dagilev closed the acquisition of a 100% interest in the **Salave Gold Deposit** from **Lundin Mining Corp.** (TSX:LUN, OMX:LUMI) and other parties. ▶

## COMPANY NEWS

TSX Venture Exchange has approved the Salave acquisition as Dagilev's qualifying transaction. The company will be renamed Astur Gold Corp. subject to shareholder approval at the Annual General Meeting on May 31, 2010. \*Dagilev announced an expanded NI43-101 compliant gold resource at the **Salave deposit**, which was acquired from Lundin Mining Corp. as the company's qualifying transaction. The updated Salave measured and indicated category **increased by 15%** to 1,683,000 oz and **by over 52%** to 338,000 oz in the inferred category versus the October 2004 estimate. \*Dagilev has **appointed Mr. Emilio Hormaeche Bigorra as President** of the company and will stand for election as Director at the Annual General Meeting on May 31, 2010. "Emilio has been involved in the development of almost every mine project in Spain over the last 20 years. We look forward to working with Emilio and building a partnership with the local communities in the region of Asturias to develop the Salave deposit," states CEO Cary Pinkowski. \*For full information on the company and its projects: [www.dagilevcapital.com](http://www.dagilevcapital.com).



### Dragon Mining Limited

ASX-DRA: price Apr 30 – A\$0.077



GUEST

**NOTE HJK: I OWE THIS COMPANY MY APOLOGIES. LAST MONTH, I STATED THAT GOLD-ORE RESOURCES WAS THE ONLY GOLD PRODUCER IN SWEDEN. IT IS NOT!!! DRAGON MINING IS THERE TOO. EXCUSE ME AND ACCEPT THIS AS MY CORRECTION.**

Dragon Mining is an Australian resource company which is a growing gold producer from its Svartliden Gold Mine in SWEDEN and its Orivesi Gold Mine and Jokisivu Gold Mine at the Vammala Production Centre in FINLAND. Total production is estimated to reach 80,000 ounces this year with expected growth to 100,000 ounces in 2011 and 110,000 ounces in 2011. Several exploration projects in both countries offer potential for further growth.

\*Dragon Mining reported receipt of results from a diamond core drilling program, which has targeted the depth extensions of the Sarvisuo deposit at the Orivesi Gold Mine in southern Finland, below the current limit of underground mining. The new intercepts include highlights **28.5m @ 6.03 g/t gold, 28.15m @ 6.81 g/t gold and 23.00m @ 12.32 g/t gold**, which were all derived from the extension of Sarvisuo Pipe 2. The campaign of sub-parallel drilling totalling ten holes was designed to target structures from 540m level to approximately 700m level, with the overall aim of obtaining information that would assist in determining if the Sarvisuo decline and mining should be extended below its current planned base position at 540m level. Results received are very encouraging highlighting the extension of known pipes, whilst intercepts such as **3.95m @ 4.61 g/t gold** define new deeper mineralization positions to the west of the existing Sarvisuo pipe cluster. \*Dragon Mining received all results from a diamond core drilling program of the **Arpola deposit at the Jokisivu Gold Mine** in southern Finland. The 31 hole, 4,312.4m infill program was undertaken to enable an update of the Arpola Mineral Resource and to complete studies to **determine the viability of developing an underground operation at the Jokisivu Gold Mine**. All results are posted at the company website. \*For full information on the company and its projects: [www.dragon-mining.com.au](http://www.dragon-mining.com.au).



### Dundee Precious Metals Inc.

TSX-DPM: price Apr 30 – C\$4.10



GUEST

Dundee Precious Metals is a Canadian-based, international mining company, owning the Chelopech mine, a producing gold/copper mine, and the Krumovgrad Gold Project, a mining development project both located in BULGARIA, as well as a 95% interest in the Kapan Mine in ARMENIA. DPM recently acquired Namibia Custom Smelters (Pty) Limited which processes the Chelopech and third party concentrates. It is also engaged in mineral exploration activities in SERBIA.

\*Dundee Precious Metals announced that the final decision of the Supreme Administrative Court of Bulgaria on the EIA Resolution for the metals processing facility at the Chelopech mine was issued and confirms the previous decision of the three member panel rendered earlier. This decision revokes the EIA resolution issued by the Ministry of Environment and Waters. Jonathan Goodman, President and CEO of DPM, stated: "While we are disappointed with the decision, it in no way impacts the mine/mill expansion to 2 million tonnes a year that is currently underway at Chelopech. Our plan is clear and the recent acquisition of the Tsumeb smelter in Namibia secures the processing of our fully expanded Chelopech production." \*Dundee Precious Metals has entered into an agreement with PJV Resources Inc. and Rodeo Capital Corp. for the sale of its Timok and Potoj Cuka gold projects in Serbia. \*For full information on the company and its projects: [www.dundeeprecious.com](http://www.dundeeprecious.com).



### Endomines AB

First North-ENDO.ST: price Apr 30 – SEK6.70



GUEST

Endomines is a Swedish resource company with several projects in FINLAND. In 2009, Endomines has taken several important steps to develop the business from exploration to full-scale gold production. By the end of 2010, the company will commence production at the Pampalo Gold Mine with a projected output of 900–1,000 kg of gold per annum. Endomines has additional claims and mining concessions in Finnish Lapland (gold), Ostrobothnia (ilmenite) and Southern Finland (limestone/wollastonite).

\*Endomines has signed an agreement to sell its flotation gold concentrate production from the Pampalo Gold Mine to Boliden Commercial AB. Endomines will deliver its estimated annual flotation concentrate production of 3900 tonnes to Boliden's Harjavalta smelter in FINLAND. \*Endomines has signed all necessary contracts and agreements for the underground mine development and gold ore production in Pampalo. The contracts will be implemented in a timely manner to secure ore supply to the mill at the end of 2010 when the test production start-up is scheduled. \*Endomines has received all results from a diamond core drilling campaign at the Pampalo underground gold mine in Ilomantsi, Eastern Finland. The results support the production start-up schedule of commencing test production in the end of 2010 and full-scale production in the first quarter of 2011. Totally 43 holes and 2,727 meters infill drilling campaign was undertaken to confirm ore delineation before full-scale underground development and stoping. All results are on the company website. "This recently completed infill drilling campaign will basically allow us to bring Pampalo underground mine to production without any additional diamond core drilling. The first two-three years ore reserves have now been delineated with high accuracy. This campaign has also brought out some new ore grade intersections outside the earlier known main lenses" CEO Markus Ekberg comments, "The next step will be to include the drilling results to a new ore reserve estimation, which will commence in May 2010. As the gold price has improved significantly during last years, the new ore reserve calculation will be done with a cut-off grade of 1 g/t, which is significantly lower than the earlier used 2.5 g/t".

\*For full information on the company and its projects: [www.endomines.com](http://www.endomines.com).



### GoldQuest Mining Corp.

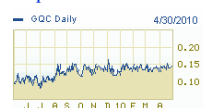
TSXV-GQC, FSE: price Apr 30 – C\$0.15



GUEST

GoldQuest is a Vancouver-based exploration company with a portfolio of active projects in the Dominican Republic. In January 2010, GoldQuest completed the acquisition of Lundin Mining Exploration S.L., which holds a 100% interest in the Toral project, located 400 km northwest of Madrid, SPAIN, with a non-NI43-101 compliant historical resource of 5.4 million tonnes grading 9% zinc, 6% lead and 45g/t silver.

\*An administrative court in Leon, Spain, has dismissed the appeal of a losing bidder in the tender process under which the investigation permit for the Toral property was ultimately awarded to a subsidiary of GoldQuest. The company owns a 100% interest in the Toral project located in northwest Spain. In 2006, one of the losing bidders instituted an administrative appeal of that award. On December 19, 2006, that losing bidder's initial appeal was dismissed. The administrative court's ruling has dismissed the losing bidder's appeal although the company understands the administrative court's ruling can be appealed within fifteen days. Alistair Waddell, President and CEO of GoldQuest, commented, "We are pleased to learn of the ruling in favour of the Junta Castile and León and we now look forward to advancing the Toral project and the exploration program in Spain." \*For full information on the company and its projects: [www.goldquestcorp.com](http://www.goldquestcorp.com).





## COMPANY NEWS



### **Iberian Minerals Corp.**

TSXV-IZN: price Apr 30 – C\$0.66



GUEST

**Iberian Minerals is a Canadian listed global base metals company with interests in Peru and SPAIN where the Aguas Tenidas Mine in the Andalusia region operates a 1.7 million tonnes per year underground mine and concentrator that produces copper, zinc and copper-lead concentrates also containing gold and silver.**

\*Iberian Minerals' wholly-owned subsidiary, Minas de Aguas Tenidas, S.A.U. has signed a facility agreement with BNP Paribas, Natixis and Societe Generale for a **senior debt financing for US\$ 50 million** for the **Aguas Tenidas Mine**. Iberian will act as guarantor under the Facility Agreement. The proceeds will be used to repay the US\$ 21 million Trafigura Beheer B.V. bridge facility and for working capital purposes. Daniel Vanin, President of Iberian, stated: *"The completion of the Senior Facility is a significant achievement. It provides further validation of the Aguas Tenidas mining operation and provides stability for the company as it moves forward. We would like to take this opportunity to thank the lending banks and Trafigura for its continued support of Aguas Tenidas and Iberian."* \*For full information on the company and its projects: [www.iberianminerals.com](http://www.iberianminerals.com).



### **LYDIAN International Ltd.**

TSX-LYD: price Apr 30 – C\$1.10



GUEST

**Lydian International is a diversified mineral exploration and development company employing "first mover" strategies in emerging exploration environments. Currently Lydian is focused on Eastern Europe developing the advanced and 95% owned Amulsar Gold Property in ARMENIA and a zinc, lead, silver and gold project at Drazhnje in KOSOVO. Lydian also has a pipeline of promising gold and base metal exploration projects in the Caucasus and Balkans regions.**

\*Lydian International has signed an underwriting agreement with a syndicate of underwriters who have agreed to purchase 13,700,000 shares of Lydian at a price of C\$0.73, for aggregate proceeds of **C\$10 million**. This placement comes in addition to the IFC financing previously announced.

\*Lydian has completed the closing of its previously announced **purchase of all of Newmont's interest** in the joint venture between Lydian and Newmont known as the Caucasus Venture, including all of Newmont's interest in the Lydian discovered Amulsar gold property in Armenia. Lydian's 95% owned subsidiary, Geoteam C.J.S.C. now holds 100% of the Amulsar gold property. On closing the Caucasus Venture was also terminated and Lydian and Newmont now jointly own all regional prospecting data collected by the Caucasus Venture across Armenia during the last four years. On the closing of the transaction, Lydian issued three million ordinary shares to Newmont and made the first installment payment of USD\$5 million. \*For full information on the company and its projects: [www.lydianinternational.co.uk](http://www.lydianinternational.co.uk).



TARANIS

### **Taranis Resources Inc.**

TSXV-TRO: price Apr 30 – C\$0.205



GUEST

**Taranis Resources Inc. is a US-based exploration company that has a number of exciting prospects in Canada, FINLAND and Nevada. Its exploration efforts and capital are focused on advancing "top-notch" exploration projects into tomorrow's mines. Taranis has a substantial presence in Finland, where the company was recently re-issued key Mining Claims on the Kettukuusikko Gold Project, and has also recently acquired the Naakenavaara and Marsinkuusikko Gold projects in the same area.**

\*Taranis has closed a **\$1,000,000 private placement**, consisting of the sale of 5,000,000 units at a price of \$0.20 per unit. \*Taranis has completed a total of 1,029 m of diamond drilling at two of its exploration projects located in Lapland, Finland. Taranis has completed all of the planned drilling from the winter iced roads, but unusually warm spring weather has forced an unplanned hiatus in drilling. A single deep drill hole has been completed on its **Kettukuusikko Project** and was designed to provide additional information about the structural geology of the **Kettukuusikko South Zone** and four drill holes totalling 759.2 m have been completed on the **MIGI Target** at **Naakenavaara** where they have intersected iron and copper sulphide mineralization have extended the known mineralization at Naakenavaara almost 1 km further east of the OKI Zone. It is expected that drilling at Naakenavaara will restart in 4-6 weeks. Analytical work in Finland is being completed at Labtium Oy in Sodankylä, Finland that is accredited to FINAS T025 and ISO/IEC 17025 accreditations and is expected to be completed in 3-4 weeks. \*\*For full information on the company and its projects: [www.taranis.us](http://www.taranis.us)



### **Tumi Resources Limited**

TSXV-TM: price Apr 30 – C\$0.14



GUEST

**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 has completed an induced polarisation (IP) survey over the **Jonsmossen prospect** and over the **Lovasen project area** in Sweden. The objective of the IP survey lines at both projects was to pinpoint the source depth of airborne electro-magnetic (AEM) anomalies discovered by an airborne geophysical survey performed in 2008. \*\*For full information on the company and its projects: [www.tumiresources.com](http://www.tumiresources.com).



COMPANIES THAT WISH TO HAVE COVERAGE OF THEIR NEWS RELEASES IN THIS SECTION ON A CONTINUING BASIS, ARE INVITED TO CONTACT US



## MINING INVESTMENT EVENTS IN EUROPE

**May 17-19, 2010**

**World Mining Investment Congress**

London, UK

[www.terrapinn.com/2010/mining/](http://www.terrapinn.com/2010/mining/)

**May 17-19, 2010**

**European Coal Outlook Conference**

Nice, France

[www.conf.mccloskeycoal.com](http://www.conf.mccloskeycoal.com)

**May 19, 2010**

**Minesite Forum**

London, UK

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

*opportunities to obtain specific information, meet the experts and managements and expand your networking*



## FEATURED ARTICLE

# EUROPE BREAKS OUT THE BAZOOKA

by Adam Sharp

Spain and Portugal must be licking their chops...

After endless speculation, the EU is getting closer to bailing out Greece. The deal isn't finalized yet — despite the headlines and leaders trumpeting a deal, which almost reeks of desperation. But there has been progress... if you can call it that. Germany is caving from pressure to put a deal together, after making a lot of noise about moral hazard in recent months. They've tentatively agreed to provide roughly one-third of a massive \$61 billion package. The aid will come in the form of low-interest three-year loans. Greece has \$9 billion in notes coming due this May, which explains the announcement's timing.

### The EU's Bazooka

But Greece will only use the lifeline *if* a rescue becomes necessary. So they say... (That should sound familiar to U.S. readers. Remember Hank Paulson and his financial bazooka?) Back in mid-2008 — when he was selling Congress on unlimited bailouts for Freddie and Fannie — then Treasury Sec. Paulson said, "If you have a bazooka in your pocket and people know it, you probably won't have to use it."

We all know how that turned out. Pretty well — at least for Paulson's buddies. It let them keep dumping questionable loans onto the public's lap. Meanwhile, Freddie and Fannie continue to hemorrhage billions and require government backing.

It looks like EU financiers are using a similar ploy to sell this bailout to their citizens. It's a lot easier to sell an expensive plan when it "may not be needed at all." There's no doubt that Greece is going to need the cash. The question should be whether \$61 billion will be enough. All this does is buy Greece a little time. They now have three years to fix decades of systemic mismanagement, excess, and corruption... Three years to slash budget deficits from 12.9% this year — recently revised upward from 12.7% to 3% in 2012. Probably not gonna happen. But it buys some time, which is typical of today's kick-the-can school of economics.

### Morally Hazardous

Carten Brzeski, an ING economist who worked at the European Commission, summed up the situation: "All that fuss and talk about not putting taxpayer money at risk has been made obsolete." It's true. Once you put a safety net in place, everybody gets more daring.

Now that the net is in place, EU members have an incentive to let their budgets get out of control. And until the EU puts something in place to discourage reckless spending, that's not going to change. Eventually, it could lead to a breakup of the EU... but that would be much further down the road.

I mentioned that Spain and Portugal are licking their chops on this news. That's because they'll probably be next in line behind Greece for a bailout. If the Greek bailout goes through, other countries will expect similar treatment. It's a dangerous precedent... But it seems the world is full of those these days.

### A Broken State

The Greek economy needs an overhaul (as do many others). Its public sector is bloated and government employees are overpaid. What they're getting is short-sighted, extend-and-pretend economics. Three-year loans from the EU and IMF aren't going to save Greece; they'll just postpone any real change from taking place and allow the status quo to go on a bit longer.

The plan will inevitably lead to more bailouts in the future, for Greece and other EU member states. It doesn't bode well for the European Union. I'm with Jim Rogers on this one. Rogers' take on the situation is quite blunt: "Let Greece default, it'd be good for the EU." Rogers has a point, though. It would send a message that European leaders are serious about maintaining budget discipline and countries better get their finances in order. But that sort of market discipline doesn't happen these days, so we have to invest accordingly.

**NOTE HJK:** Here, Adam Sharp continues his article with his rather original and daring case to invest in the shares of Greek's banks. I agree with him that investors should adapt their investment strategy as events like Greece (and those that are due to follow!!!) do happen and we all are faced with. If you like the idea of Greek banking shares, let me know and I will send you the last part of Adam Sharp's article in Wealth Daily. Personally, I would have another choice and I think you as my regular reader know what that would be.....



WEALTH DAILY

Independent Investment Analysis and Commentary

Adam Sharp is Editor of Wealth Daily and has his own website at [www.bearishnews.com](http://www.bearishnews.com)

## NEWS ON MINING AND EXPLORATION IN EUROPE



**\*\* RUSSIA \*\*** On the 2nd of April, 2010 St. Petersburg international raw material and commodity exchange ZAO held the **1st Russian coking coal concentrate auction**. Mechel Trading House OOO, subsidiary of **Mechel OAO** (NYSE-MTL), was one of the participants of the trading. Steel mills and coking plants are expected to become the main coking coal concentrate consumers. Mechel OAO highly appreciates the importance of the exchange auctions start for coking coal concentrate. Better availability of pricing information is an effective tool for state antitrust control. Implementation of the commodity exchange mechanism for raw materials competitive pricing is a one more step in developing market economy in Russia.

**\*\* One of Polyus Gold's co-owners - Russian tycoon Mikhail Prokhorov - has brought its share in the company from 4.9 percent down to zero. Earlier, a company from Cyprus Coverico Holdings, representing the interests of Onixim group's owner Prokhorov, increased its stake in Polyus Gold from 0.097 to 6.6 percent. "Prokhorov transferred his stake to Onexim group as part of the consolidation of his stake in Polyus Gold," PR Director for Onexim group Igor Petrov told RBC. "Therefore, the businessman's share in gold producer remained unchanged."**

**\*\* On the 2nd of April, 2010 St. Petersburg international raw material and commodity exchange ZAO held the 1st Russian coking coal concentrate auction.** The auction was held on the terms of commodity exchange specification of «Energy Resources» section. The commodity was brought forward under delivery basis of FCA Tomusinsk and Mezhdurechensk station of Kemerovsky region, Russian Federation. Mechel Trading House OOO, Mechel OAO's subsidiary, was one of the participants of the trading. Steel mills and coking plants are expected to become the main coking coal concentrate consumers.



**\*\* TURKEY \*\*** **Fronteer** (TSX, AMEX-FRG) will start its 2010 work-program activities after promising metallurgical results from previously unreported work at the **Halilaga copper-gold porphyry deposit** in northwestern Turkey. A \$2.7 million drill program has been planned. The program will include 10,000m of core drilling, with 8,500m of drilling planned for Halilaga's main Central Zone, and the remainder planned for targets outside this zone. Drilling is expected to commence in June. It is also anticipated that a first resource estimate will be completed by year-end. The program operator is **Teck Resources Limited's Turkish subsidiary TMST**, Fronteer's 60% joint

**\*\* Stratex International**, the AIM quoted gold exploration and development focussed in TURKEY and Ethiopia, had its annual meeting yesterday. In summarising the meeting, Chairman David Hall said, "We believe that we have positioned ourselves with a portfolio of highly prospective gold projects in Turkey and Ethiopia that has evolved through a combination of good science, hard work on the ground, and carefully considered risk management at all stages of the exploration and development process. Our strategy is to use leading edge science and the extensive experience of our senior management to generate projects and manage risk by allowing joint venture partners to fund advanced exploration with a view to taking projects through to production. Finding the right partner in NTF Insaat Ticaret Ltd Sti has allowed us to manage the financial risk of fast-tracking the Inlice and Altuntepe gold projects in Turkey through to production. Similarly, by bringing in joint-venture partners of the calibre of Teck Resources and Centerra Exploration, we have been able to retain a healthy cash position, enabling us to continue identifying and pursuing exciting new exploration opportunities whilst retaining a strong share in any upside emerging from the drill-funded Öksiüt (Centerra) and Hasançelebi (Teck Resources) gold projects in Turkey."



**\*\* ROMANIA \*\*** **Mechel OAO** (NYSE-MTL) is one of the leading Russian companies with businesses in four segments: mining, steel, ferroalloy and power. Mechel unites producers of coal, iron ore concentrate, nickel, steel, ferrochrome, ferrosilicon, rolled products, hardware, heat and electric power. The Romanian Competition Council approved the acquisition of the Laminorul Braila metallurgical plant located in Romania. In February 2010 Mechel acquired 100% of the shares of Donau Commodities SRL, which holds 90.9% of the shares of Laminorul SA (Laminorul Braila), a steel plant located in Braila, Romania, for a consideration of 9.4 million Euros subject to a final price adjustment.



**\*\* EUROPE \*\*** The European steel industry body Eurofer urged European Union regulators to prevent unfair competition and excessive pricing of iron ore, saying it could hamper economic recovery in Europe. Eurofer said market concentration by three companies controlling almost three quarters of the world market had resulted in unbalanced pricing power and a high degree of market concentration in the seaborne iron ore market. It issued its appeal to the EU one day after top global iron ore producer **Vale** and **BHP Billiton**, the world's no. 3 producer, said they would price iron ore to Japanese steelmakers quarterly from April 1, signalling the demise of annual fixed-price deals. "Iron ore is the basis for the EU's most important value chain," Eurofer said in a joint statement with Orgalime, the European Engineering Industries Association. "If economic access to it is hampered through unjustifiable pricing and consequently steel production in Europe is jeopardised, this will have severe consequences for the whole value chain and millions of jobs in the sectors concerned." It said a proposal by **BHP** and **Rio Tinto** to merge their Australian iron ore assets into a joint venture would intensify concentration in the sector, with iron ore supply being dominated by only two companies.



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