



# Acquisition of mine and exploration rights in Finland

8 July 2014

**BOLIDEN**

# Acquisition summary

- Acquisition mine and exploration areas in east Finland
- Financials 2013:
  - Sales 72 MUSD
  - EBIT 18 MUSD
- Cash-flow positive
- Cash cost Normal C1 1.94 \$/lb<sup>1</sup>
- Life of mine 2021
- 110 employees and ~120 contractors
- Enterprise value: 95 MUSD
  - EV/EBIT: 5
- Seller: Altona Mining, Australia
- Transaction subject to:
  - Approval by the Finnish competition authority
  - Shareholders' approval in Altona Mining
- Closing expected 1 October 2014
- Boliden's net debt/equity ratio increase by 3 percentage points

1) Jun 2013-Mar 2014

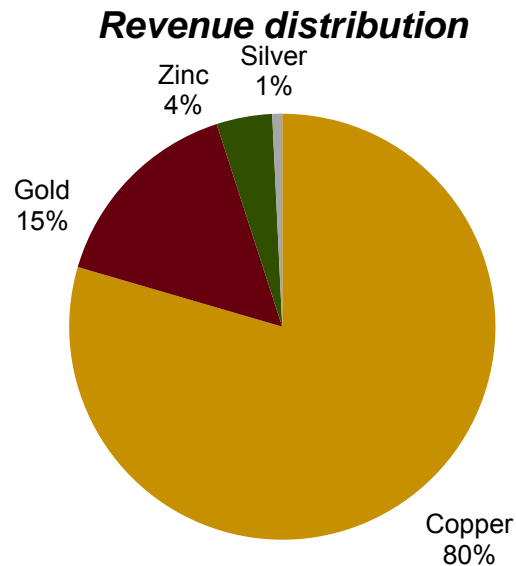
# Acquisition rationale

- Operating mine in Outokumpu area with geology similar to Boliden's
  - Kylylahti mine and Luikonlahti concentrator
  - Synergies in mining and metallurgy
- Brown field potential
  - Limited exploration after 1980
  - Leverage on Boliden's strong near mine exploration and geophysical expertise
  - Infrastructure in place
- Low country risk



# Kylylahti mine

- Operating since January 2012
- Production capacity 650 ktpa
- Life of mine until 2021 on mineral reserves
- Cash cost Normal C1 1.94 \$/lb
- LTI frequency<sup>1</sup> 12.3



1) Per million hours including contractors

	Quarter				12 months
	Apr 13- Jun 13	Jul 13- Sep 13	Oct 13- Dec 13	Jan 14- Mar 14	Apr 13- Mar 14
<b>Production</b>					
Ore mined, ktonnes	130	168	167	159	624
Ore milled, ktonnes	135	163	166	166	630
<b>Head grades</b>					
Cu grade, %	1.46	1.77	1.41	1.56	1.55
Au grade, g/tonne	0.57	0.72	0.62	0.58	0.62
Zn grade, %	0.59	0.79	0.69	0.67	0.69
<b>Recoveries, %</b>					
Copper	91.5	92.6	91.6	92.5	92.1
Gold	73.3	77.3	72.0	76.6	74.8
Zinc	48.4	53.6	48.2	44.9	48.7
<b>Metal content</b>					
Copper, kt	1.8	2.7	2.1	2.4	9.0
Gold, kg	57	91	74	74	296
Zinc, kt	0.4	0.7	0.6	0.5	2.2
Silver, kg	427	665	506	541	2,139

Source: Altona Mining

# Concentrator

- Located in Luikonlahti 43 km from the mine
  - Ore transported by road from the mine
- Constructed 1968
  - Refurbished 2012
- Capacity 700 ktpa
  - Environmental permits 800 ktpa
- Concentrates shipped to Boliden Harjavalta 510 km and Boliden Kokkola 400 km by road



# Kylylahti mine – Reserves & Resources

## Reserves included in resources

Ore reserves	M t	Cu %	Au g/t	Zn %	Cobalt %	Ni %
Proven	0.57	1.43	0.66	0.66	0.25	0.15
Probable	3.98	1.7	0.86	0.61	0.27	0.17
Total	4.55	1.66	0.83	0.62	0.27	0.16

Resources incl. reserves	M t	Cu %	Au g/t	Zn %	Cobalt %	Ni %
Measured	1.2	1.19	0.48	0.56	0.22	0.19
Indicated	7.2	1.35	0.77	0.53	0.24	0.23
Inferred	0.5	1.38	1.71	0.54	0.27	0.24
Total	8.8	1.33	0.78	0.54	0.24	0.22

*Please note that resources include reserves.*

*Ore reserves updated 7 May 2014. Mineral resources updated 26 March 2014.*

*Prices as base for calculation: Copper 6,600 US\$/t, Gold 1,300 US\$/tr oz, Zinc 1,874 US\$/t, Euro/USD 1.25*



# Assets and exploration rights



*For illustration purposes.*



# Assets and exploration rights, cont.





# Deposits and resources

<b>Deposit</b>	<b>Category</b>	<b>Mt</b>	<b>Cu (%)</b>	<b>Co (%)</b>	<b>Ni (%)</b>	<b>Zn(%)</b>
<i>Saramäki</i>	<i>Inferred</i>	3.4	0.71	0.09	0.05	0.63
<i>Vuonos</i>	<i>Inferred</i>	0.76	1.76	0.14		1.33
<i>Riihilahti</i>	<i>Indicated</i>	0.14	1.69	0.04	0.16	
<i>Valkeisenranta</i>	<i>Indicated</i>	1.54	0.29	0.03	0.71	
<i>Särkiniemi</i>	<i>Indicated</i>	0.1	0.35	0.05	0.7	
<i>Vaara</i>	<i>Indicated</i>	2.62	0.04	0.01	0.49	
	<i>Inferred</i>	0.14	0.04	0.01	0.45	
<i>Peura-Aho</i>	<i>Indicated</i>	0.4	0.29	0.04	0.63	
	<i>Inferred</i>	0.09	0.23	0.03	0.48	
<i>Hietaharju</i>	<i>Indicated</i>	0.85	0.44	0.06	0.85	
	<i>Inferred</i>	0.24	0.27	0.04	0.59	
<i>Sika-Aho</i>	<i>Inferred</i>	0.17	0.01	0	0.66	
<i>Arola</i>	<i>Inferred</i>	1.5	0	0	0.46	
<b>Options</b>						
<i>Hautalampi</i>	<i>Measured &amp; Indicated</i>	2.26	0.37	0.12	0.45	0.06
	<i>Inferred</i>	0.9	0.3	0.1	0.4	0.1

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