

Update of the Mineral Resource for Fäboliden Gold Mineralization Shows Positive Results

"The new mineral resource estimate for Fäboliden shows that the amount of gold in the measured and indicated mineral resource category has increased by about 200,000 ounces at a cut-off of 1.0 gramme of gold per tonne as a result of the 2011 core drilling program. The plan the Company presented in December 2010 and that proposes extraction of the richer parts of the mineralization is strengthened by the positive drilling results," says Kjell Larsson, CEO Lapland Goldminers.

The Fäboliden gold mineralization is a central part of Lapland Goldminers strategy to develop as a major gold producing mining company in Europe.

During the first months of 2011, six diamond drill holes (3,266 meters) were drilled in three higher grade deeper areas of the mineralization. The objective of the drilling was to upgrade parts of the inferred mineral resource in the 2010 estimate to measured and indicated mineral resource. Golder Associates, a reputable international consulting company, was contracted by Lapland Goldminers to design and supervise the drilling and interpret the results. The 2010 estimate of mineral resource was updated with the new drilling and assaying information.

The measured and indicated mineral resource at a cut-off of 0,40 gramme of gold per tonne amounts to 65,6 million tonnes with an average grade of 1,06 gramme of gold per tonne and an average grade of 2,64 gramme of silver per tonne (Table 1). In addition there is an inferred mineral resource of 27,5 million tonnes with 1,03 gramme of gold per tonne and 3,33 gramme of silver per tonne. As shown in Table 1 the tonnage for the measured and indicated mineral resource is higher compared to the June 2010 resource model by Golder Associates.

The measured and indicated mineral resources have increased by 13 % and the inferred mineral resource decreased by 15 %. The average gold grade in the measured and indicated mineral resources increased from 1.05 gramme per tonne to 1.06 gramme per tonne.

The measured and indicated mineral resources have also been estimated by Golder Associates at various cut-off grades as shown in Table 2.

Table 1. Mineral resource model of Fäboliden gold mineralisation May 2011 in comparison with mineral resource model 2010

Category	Au cut-off (gramme/tonne)	2011 Tonnage (tonne)	2011 Au (gramme/tonne)	2011 Content Au (oz)	2010 Tonnage (tonne)	2010 Au (gramme/tonne)	2010 Content Au (gramme/tonne)
Measured	0,4	31 453 000	1,06	1 075 000	30 864 000	1,09	1 082 000
Indicated	0,4	34 104 000	1,06	1 166 000	26 904 000	1,00	879 000
Measured + Indica	0,4	65 557 000	1,06	2 241 000	57 768 000	1,05	1 952 000
Inferred	0,4	27 518 000	1,03	914 000	32 417 000	1,04	1 084 000

Assays are done by ALS Chemex with Fire Assay, ALS Chemex code AA-Au26 or AA-Au15 and Aqua Regia, ALS Chemex code ME-ICP141.

Older holes are assayed by SGS laboratory with Fire Assay, SGS code FA30 or FA50 and Aqua Regia, SGS code ICP70. Earlier holes are assayed by Boliden Mineral laboratory.

Evaluation is carried out by Alexandra Harrison, BSc(Hons), MSc, MSCSM, Csci, MIMMM, and Faye Jones, BSc(Hons), MSc, MSCM, FGS, MAusIMM, Golder Associates (UK) Ltd, and reviewed by Sia Khosrowshahi and Alan Miller, Golder Associates Pty Ltd. Alexandra Harrison is a Competent Person (CP) according to JORC code (2004).

Au cut-off (gramme/tonne)	Au (gramme/tonne)	Tonnage (tonne)	Ag (gramme/tonne)	Content Au (Oz)
0,4	1,06	65 557 000	2,81	2 241 000
0,6	1,27	47 850 000	3,22	1 959 000
0,8	1,48	35 134 000	3,47	1 677 000
1,0	1,68	26 000 000	3,57	1 411 000
1,2	1,90	19 054 000	3,54	1 167 000
1,4	2,17	13 179 000	3,39	921 000
1,6	2,46	9 181 000	3,27	730 000
1,8	2,77	6 550 000	3,27	584 000
2,0	3,07	4 862 000	3,20	481 000

The evaluation has been reviewed for Lappland Goldminers by Thomas Lindholm, GeoVista AB, an independent consultant and Qualified Person (QP) approved by SveMin and FinMin.

The content in this news release has been controlled and approved by Risto Virkkunen, Chief Geologist at Lappland Goldminers and by SveMin and FinMin approved Qualified Person, QP.

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Lappland Goldminers AB is a producing mining company with significant exploration activities. The Company is listed on the market place First North Premier in Sweden under the name GOLD, with Mangold Fondkommission AB, www.mangold.se +46-8503 015 50, as Certified Adviser.

Lappland Goldminers' strategy is to develop mineral deposits into profitable producing mines. The Company is strategically positioned with the the fully permitted Fäboliden gold project and the Ersmarksberget deposit and processing plant in northern Sweden. The Pahtavaara gold operation is located in the north of Finland and the Haveri gold deposit in the south of Finland. Lappland Goldminers is a member of SveMin, the Swedish association for mines, minerals and metal producers, and follows SveMin's reporting rules for public mining and exploration companies.