

Botnia Exploration AB (publ.)

The journey from gold exploration to mining

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Future Mine and Mineral 2017



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Agenda

- Business objective
- Listing and brief history
- Vindelgransele mines
- Challenges for a junior company
- Targets 2018-2019



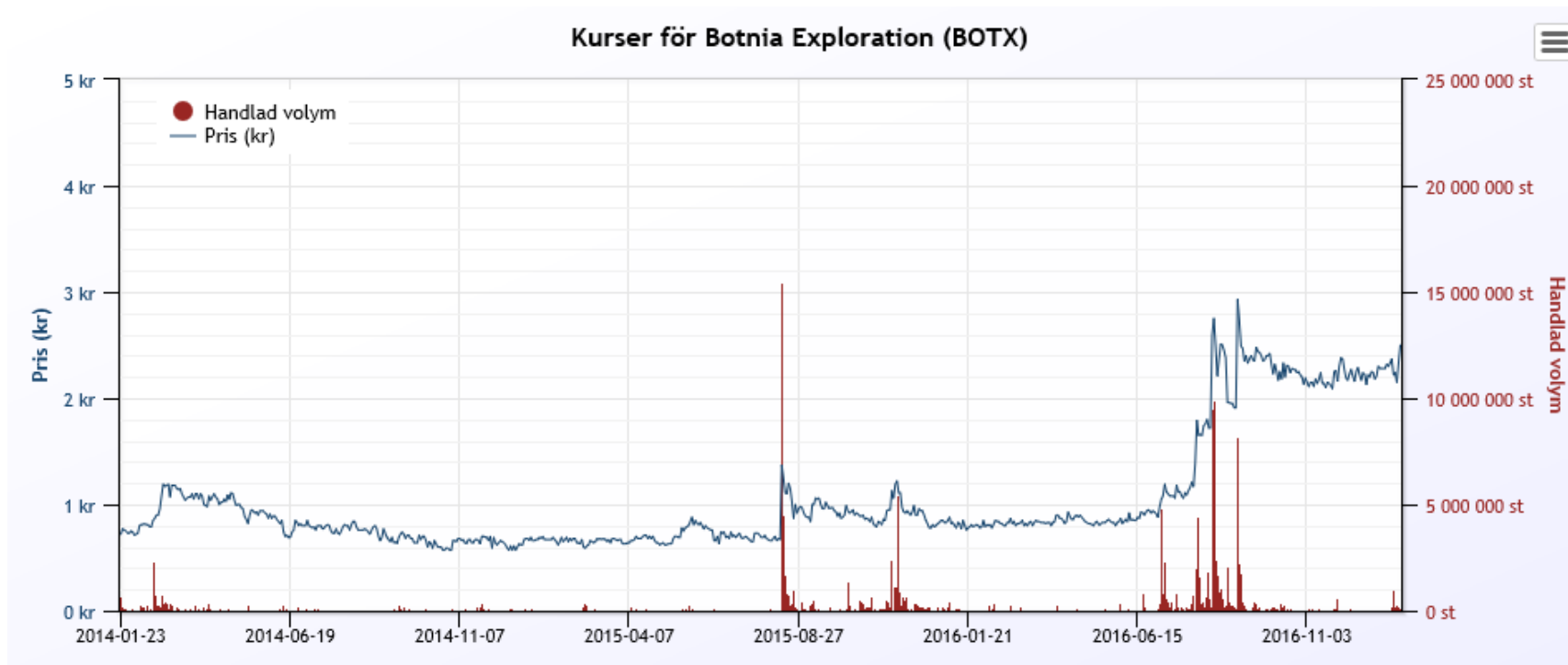
Business objective

- When the company started in 2007 Botnia Exploration was only a greenfield exploration company with intentions to develop exploration permits into exploitation concessions that could be sold.
- Today Botnia Exploration aims to become an international showcase for profitable small scale mining with limited environmental impact
- The reason for this change in objective was when we in 2012 found our high grade gold deposit Fäbodtjärn with an indicated resource of 8,5 g/ton gold @ 111 000 tons and inferred resource of 5,9 g/ton @ 85 000 tons in 2012.



Publicly listed company

- Listed in Stockholm on Aktietorget since 2009
- Market Cap 220 mkr (2017-01-25)



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Brief History

2007
Botnia founded

2009
Botnia listed

2010
Key prospects in
Vindelgransele
acquired

2012
Botnia finds
Fäbodtjärn

2013
Test mining of
Vargbäcken

2016
Exploitation
concession
Fäbodtjärn

2017
Application for
environmental permit

2018-2019
Vindelgransele
mines in operation

Kurser för Botnia Exploration (BOTX)

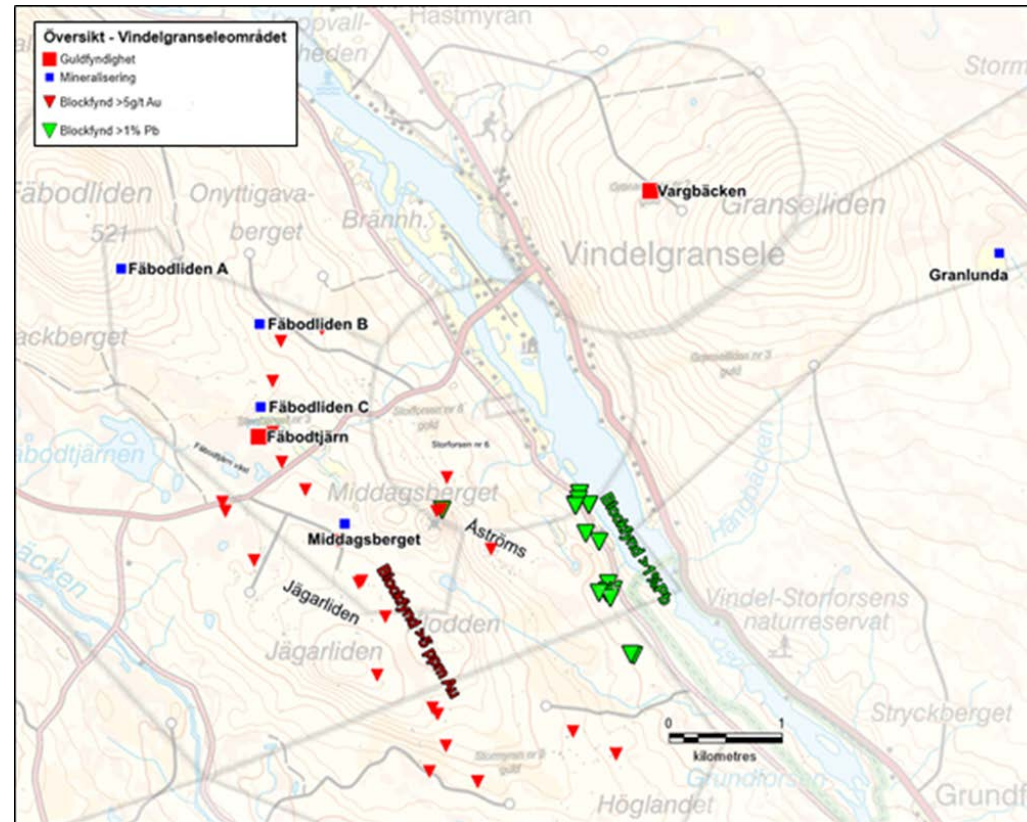
Kursen har justerats för split



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Vindelgransele

The next mining area in Sweden



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Vindelgransele

Great potential for small scale mining

The Vindelgransele area has at least 10 interesting prospects that requires further exploration

- **Fäbodtjärn**
- **Vargbäcken**
- Fäbodliden A
- Fäbodliden B
- Fäbodliden C
- Middagsberget norra
- Middagsberget
- Åströms/Klodden
- Jägarliden
- Granlunda
- Bjurbäcksliden
- Storforsen

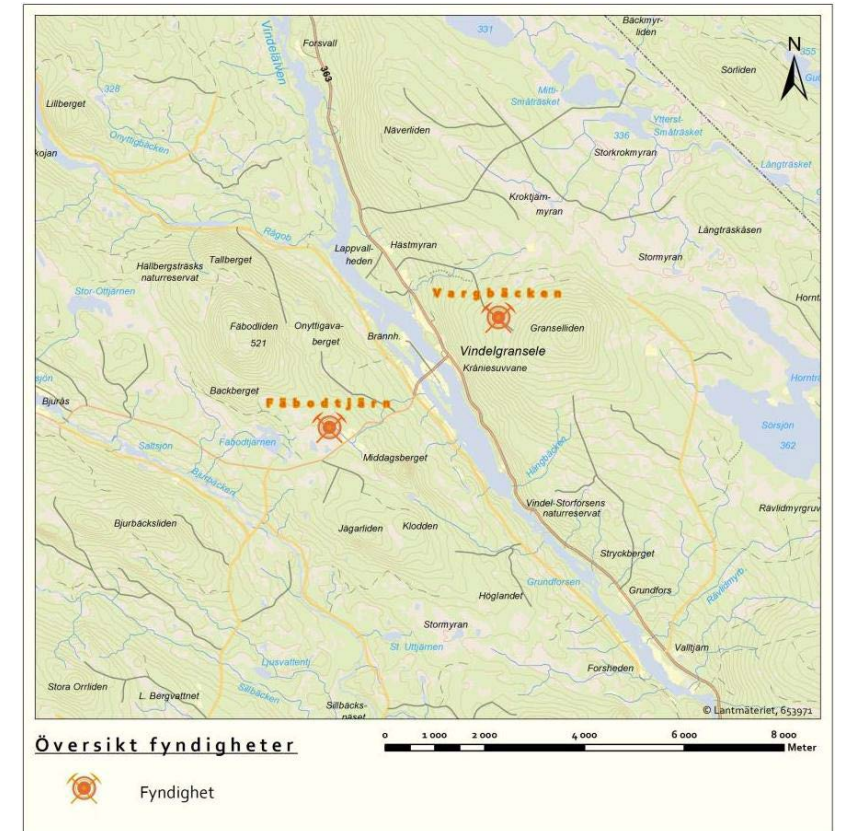


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Vindelgransele mines

Application for environmental permit for Fäbodtjärn and Vargbäcken

- Application complete in spring of 2017
- The plan is to process the ore in a gravimetric plant with a production of 100 000 tons per year
- Containerized processing plant that is adjustable to future demand
- Processing to take place when it will not disturb the reindeer operations.
- Underground mining year round in Fäbodtjärn with limited environmental impact.
- Open pit in Vargbäcken of 350 000 tons



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Vindelgransele mines

Fäbodtjärn

- 196 000 tons (indicated and inferred)
- Regular quartz vein with low strip ratio
- 180 m long and open
- 260 m in depth and open
- 0,5-4 m in width
- 90 % recovery with gravity separation and flotation
- Test mining license approved 2015

Indicated resource

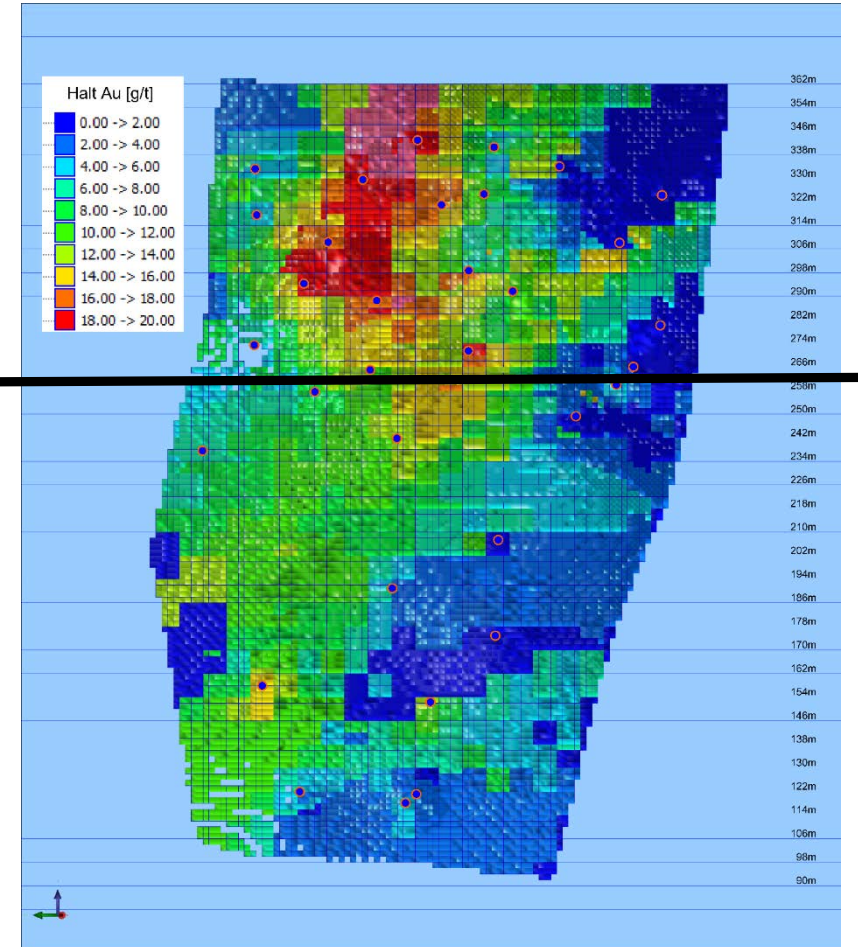
111 kton @ 8,5 g/ton

Approx. 100 m

Inferred resource

85 kton @ 5,9 g/ton

Open



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Vindelgransele mines

Fäbodtjärn

- Goal is to reach a use of 100 % battery powered equipment
- Ventilation on Demand
- High Grade Control
- Limited waste
 - Accurate positioning
 - Accurate drilling
 - Laser sorting on demand



Vindelgransele mines

Vargbäcken

Indicated mineral resource:
1,37 million tons @ 1,44 g/t
gold

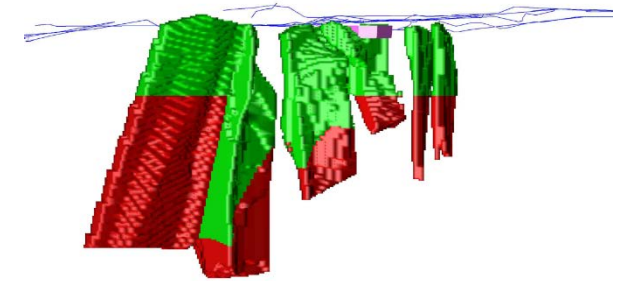
Inferred mineral resource: 0,65
million tons @ 1,70 g/t gold

or with a higher cutoff:

Indicated mineral resource :
0,38 million tons @ 2,7 g/t gold

Inferred mineral resource: 0,32
million tons @ 2,4 g/t gold

- Application is for an open pit approx. 350 000 tons
- Gold in small quartz veins (similar to Björkdalsgruvan)
- Can be profitable at this point with:
 - Processing plant locally placed
 - Large potential with selective mining
 - Laser sorting where tests show that 75 % can go to waste which can increase grade and keep processing costs down
- Valid test mining license for 50 000 tons



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Small scale mining in Vindelgransele

Benefits

- Many mineralizations suitable for Small Scale Mining
- Low environmental impact
- In harmony with stakeholders
- Keep CAPEX low
- Limited infrastructure
- Low operational cost



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Market challenges

The market has changed over the last few years

- Today an exploration permit has almost no value compared with a few years back. You need an exploitation concession to create value for the company.
- Changing legislation makes it more difficult to receive an exploitation concession.
 - More extensive work needed requiring more capital
 - Difficult to make longterm plans
- Public opinion
 - The right to complain
 - The Swedish mining industry is front runners in doing more for the environment and it is an important job for our industry to make the public aware of this



Financing challenges

Financing

- A lot of capital needed to reach your goals
- With no revenue you have to keep your shareholders happy
 - Show results and progress
 - Meet the markets expectations
- A junior company sometimes can't control market fluctuations
 - Events created by others sometimes affect our shareprice
- More capital required when exploration results are positive



Has Botnia met these challenges?

Yes

- Botnia now has 2 exploitation concessions
- Botnia is in the process of applying for an environmental permit
- Botnia has successfully managed to raise 100 mkr since 2007
- Botnia has increased its market cap from around 50 mkr to 220 mkr since 2013, adding more value to its shareholders
- Botnia has a strong shareholder base supporting the company



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Targets

2018-2019

- Vindelgransele mines is in operation with small scale mining and generating cash flow
- Botnia Exploration is a leading exploration company targeting gold
- Botnia Exploration is in the process of applying for additional exploitation concessions in Vindelgransele
- Botnia is getting closer to paying dividends to its shareholders



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Board of Directors

- **Per- Erik Lindvall – Chairman**

- Per-Erik has previously held a number of senior positions within LKAB, Bergbygg and Boliden and has great experience in running mining operations on a daily basis.

- **Pär Weihed – Board member**

- Pär is a Professor in ore geology and operations manager of CAMM (Centre of Advanced Mining and Metallurgy) at LTU and is well known within the mining industry.

- **Bengt Ljung (founder) – Board member and CEO**

- Bengt has long experience of mining operations holding numerous senior positions within the industry, incl. CEO Nitro Nobel Mec AB and VP Atlas Copco MCT

- **Johan Norman – Board member**

- Johan Norman is one of Sweden's best lawyers in his areas with almost 30 years of experience from environmental and water legislation.



Thank you!



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