

Press release

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Mineral Resources and Mineral Reserves development, 2017

The results of the calculations of Boliden's Mineral Resources and Mineral Reserves* for 2017 show, amongst other things, the continued success of exploration activities at Tara and the slight increase in Garpenberg's Mineral Reserve. Kylylahti also noted a welcome addition in this respect. Kevitsa's Mineral Reserve fell, however, due to adjustments to the open pit design.

“It's absolutely vital that we both secure the lifespan of exiting mines and, at the same time, identify new deposits. Our three biggest mines now have long lifespans and Tara, in particular, is heading in the right direction in terms of potential,” says Mikael Staffas, President Boliden Mines.

The total cost of the exploration work in 2017 was SEK 470 m (380). Boliden's strategy involves prioritising exploration activities in existing mining areas where the geological conditions are favourable and where the lead time from identifying a deposit to production is shorter than for field exploration, but the Group also invests in exploration outside of existing mining areas in order to identify new deposits.

Aitik

No extensive exploration work is currently being carried out at the Aitik mine. Work is, however, continuing on preparing the Liikavaara deposit, approximately 3 km north-west of Aitik, for mining. Exploration and evaluation work is also being carried out on the Nautanen deposit, approximately 15 km north of Aitik. The total Mineral Reserve declined by slightly less than the amount extracted during the year. The reserve lifespan at full production is estimated at 26 years.

Molybdenum has previously been included in the calculation of Aitik's Mineral Resources. It is now felt, however, that an expansion of the molybdenum concentration operations would not be profitable and the mineral is consequently no longer included in the calculations. This, coupled with certain new geological information, has resulted in a decrease in Aitik's Mineral Resources.

The Boliden Area

Substantial tonnage has been converted from Mineral Resources to Mineral Reserves at Kankberg, and the mine's exploration work has, furthermore, yielded quantities almost equivalent to those extracted during the year. The Maurliden open pit mine will be mined out in 2018 but the possibility of extracting small amounts of tonnage underground is being investigated. Mineral resources and reserves have fallen slightly overall in the Boliden Area. Exploration work is continuing towards a new lens 2.5 km to the west of Kristineberg in the old Rävliiden area, and the drill cores will be evaluated in 2018. Work is also continuing on

cutting drifts in the direction of the deposit to enable investigations of the deposit from below ground. The reserve lifespan at full production is estimated at 7 years.

Garpenberg

New Mineral Resources have been added through exploration in an amount more or less equivalent to the amount extracted during the year. The amount of resources converted to reserves slightly exceeds the amount extracted, so overall, the increase in Garpenberg's Mineral Reserves is more or less equivalent to the decrease in the mine's Mineral Resources. The reserve lifespan at full production has fallen to 25 years due to assumptions of an increase in production to 3.0 Mtonnes per year.

Kevitsa

Boliden acquired the Kevitsa mine in 2016 and production has continued to develop well, with a new production record set in 2017. The design of the final open pit has been revised for geotechnical reasons and tonnage has been transferred from Mineral Reserves to Mineral Resources. Changes have also been made due to the current price of nickel being lower than the anticipated long-term price, while the price conditions for gold, palladium and cobalt have improved. Overall, this has resulted in a 5 Mtonne reduction in the Mineral Reserve, over and above the amount extracted in 2017. The reserve lifespan at full production is estimated at 15 years.

Kylylahti

770 ktonnes of ore has been mined at Kylylahti in 2017. The Mineral Reserve is small, indicating that the mine is reaching the end of its useful life. Almost 500 ktonnes has, however, been added to the reserve this year due, in part, to improvements in room design but due primarily to improvements in the concentration of nickel and cobalt and to better terms and conditions from the smelters. Mineral resources have increased, mainly due to the improved economic conditions and there is very real potential for at least some parts of the Mineral Resources to be technically and economically viable for extraction in 2018. The reserve lifespan at full production is estimated at just over 2 years.

Tara

Tara presented the 10 Mtonne Tara Deep mineralisation last year. Drilling has continued from the open pit towards Tara Deep and the tonnage of the inferred Mineral Resource has now been increased to 13 Mtonnes. Drifts are being cut towards the deposit to enable the deposit to be investigated from below ground. A very comprehensive programme of improvements to the geological models of the ore and the design of the mining rooms has been carried out at the mine during the year. Overall, this work has resulted in Tara's Mineral Reserve now being larger than for many years, but the tonnage added to the mine's reserves is primarily relatively low grade tonnage, and the average grades have, therefore, fallen. The reserve lifespan at full production is estimated at 7 years.

Other deposits

Boliden also has Mineral Resources at Rockliden in Ångermanland and Laver in southern Norrbotten. Small scale studies only have been carried out on these resources in 2017 and have not affected the Mineral Resource calculations. Boliden's application for a Mining concession for Laver was rejected by the Mining Inspector. Boliden has appealed the ruling to the Government and the matter is now under review.

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***Mineral Resource and Mineral Reserve calculations, 2017**

Boliden's Mineral Resources and Mineral Reserves have been estimated and compiled in accordance with recommendations for application in their respective countries by the Swedish, Finnish and Norwegian industry organisations for mining and metal companies – SveMin, FinnMin and Norsk Bergindustri, respectively – known as the FRB standard. This is an independent set of regulations but based on “The International Template for the Public Reporting of Exploration Results, Mineral Resources and Mineral Reserves”, produced by the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) in a bid to achieve a harmonised international practice.

The FRB standard is no longer being updated and SveMin intends to recommend that its members report in accordance with the Pan-European Standard for Reporting of Exploration Results, Mineral Resources and Reserves (PERC). PERC complies with and is accepted by CRIRSCO.

The Mineral Resources and Mineral Reserves that have been compiled and presented in this report have been reviewed and approved by Gunnar Agmalm, Boliden's Mineral Reserves and Project Evaluation Manager, who is registered as a “Qualified Person” by SveMin and as a “Competent Person” in accordance with JORC.

Mineral Resources and Mineral Reserves are the basis for the company's long-term planning and will be mined for many years to come. Planning prices, which are an expression of the anticipated future average prices for metals and currencies, are, therefore, primarily utilised in the estimations. Boliden currently uses the following planning prices:

	Planning prices, 2017
Copper	USD 6,200/tonne
Zinc	USD 2,200/tonne
Lead	USD 2,100/tonne
Gold	USD 1,200/tr.oz
Silver	USD 18/tr.oz
Molybdenum	USD 8/lb
Nickel	USD 16,000/tonne
Palladium	USD 750/tr.oz
Platinum	USD 1,150/tr.oz
Cobalt	USD 14/lb
Tellurium	USD 30/kg
USD/SEK	7.50
EUR/SEK	8.63
EUR/USD	1.15

This information comprises the information that Boliden AB is obliged to publish pursuant to the EU's Market Abuse Regulation. The information was released for publication, through the agency of the Director, Group Communications, on 14 February 2018 at 07.49 (CET).

Boliden is a metals company with a commitment to sustainable development. Our roots are Nordic, but our business is global. The company's core competence is within the fields of exploration, mining, smelting and metals recycling. Boliden has approximately 5,500 employees and a turnover of SEK 40 billion. Its share is listed on NASDAQ OMX Stockholm, segment Large Cap.