

Press release

Stockholm, October 18, 2024

## **Comments on the Mining Inspectorate's decision regarding exploitation concessions for Levi and Stekenjokk**

**Bluelake Mineral AB (publ) (the "Company" or "Bluelake Mineral") has, as previously announced, received the Swedish Mining Inspectorate's decision on 17 October regarding the subsidiary Vilhelmina Mineral AB's application for exploitation concessions for the deposits Stekenjokk K No. 1 located in Vilhelmina Municipality in Västerbotten and Strömsund Municipality in Jämtland, as well as Levi K No. 1 located in Vilhelmina Municipality in Västerbotten. The Mining Inspectorate's decision means that the mining concession for Levi is granted with a validity period of 25 years. Based on the mineral resource found in Levi, the Company assesses that there is a basis for additionally up to seven years of mining in the Company's planned operations in Joma, Norway. With regard to the application for an exploitation concession for Stekenjokk, however, The Swedish Mining Inspectorate rejected the Company's application with stating that the mineralization has to be further investigated in order to evaluate if it could be economically exploited. However, according to the Company the Mining Inspectorate has already previously approved the so called ore validation for Stekenjokk and that this decision can not be changed according to basic principles of Swedish administrative law principles. This view is based, among other things, on the legal opinion of one of Sweden's leading experts in administrative law. The company therefore intends to appeal this part of the Mining Inspectorate's decision. The Company further comments below on the Mining Inspectorate's decision and why it does not affect the Company's plans to complete the establishment of copper and mining operations in Joma and Stekenjokk-Levi and that it will not have a material impact on the financial valuation of the project. However, it can affect the mine's length of operation.**

*What does the Mining Inspectorate's decision to reject the application for a exploitation concession for Stekenjokk mean?*

The Mining Inspectorate's decision to reject the application for a mining concession for Stekenjokk has been motivated by the fact that the deposit should not be sufficiently well investigated to determine whether the deposit can be economically minable. This does not mean that the Mining Inspectorate claims that the deposit is unprofitable, but that there is uncertainty that could be remedied by more thorough geological investigations of the deposit, for example by drilling the deposit more tightly spaced. In order to change this decision, the Company or another party must appeal the decision within three weeks to the government.

*Why does the Company intend to appeal the decision of the Mining Inspectorate?*

The company is of the opinion that the Mining Inspectorate has already previously approved ore validation for Stekenjokk through written statements, among other things, and that this cannot be changed retrospectively due to administrative law principles. This view is based on a legal opinion from one of Sweden's leading experts in administrative law. To subsequently change a previously made authority decision would entail unreasonable legal uncertainty and could be of great harm not only in this specific case but also in general for the entire mining industry in Sweden. In addition to the administrative law aspects, the Company, unlike the Mining Inspectorate, is of the opinion that the degree of knowledge of the mineralization in Stekenjokk is such that it should be possible to grant a

concession, especially considering that the mineralization is located at great depth. The company therefore intends to appeal this part of the Mining Inspectorate's decision.

*What does the Mining Inspectorate's decision mean for the Company's plans to establish a mining operations?*

Adding the mineral resources in Levi and the Norwegian Joma and Gjersvik, there are mineral resources for an estimated 15 years of mining, which is enough to establish a mining project. Stekenjokk will be an option that could potentially extend the mine with potentially another 10 years, but the mineralization in Stekenjokk is not crucial for the viability of the mining project and the plans for establishment of mining operations are unchanged.

*What does the Mining Inspectorate's decision mean for the valuation of the Joma and Stekenjokk-Levi projects?*

Mining projects are traditionally valued by calculating the net present value of future operating cash flows, i.e. revenues, minus operating expenses, financial costs, investments and taxes. In the case of a mine with at least 15-20 years of life, as in the case of Joma and Stekenjokk-Levi, the importance of the cash flow at the end of the mine's life is reduced the later in the period it occurs. The reason for this is that the net present value of cash flow at the end of the period must be discounted by a higher factor than for cash flows early in the period. This therefore means that the mine's so-called mining plan will be of great importance for the financial valuation of the project. In simple terms, the mining plan means the order in which different parts of a deposit are mined and enriched. This becomes particularly important in a project that consists of several different mineralizations as in the case of Joma and Stekenjokk-Levi. The mining plan is governed by various factors such as operational, financial and legal conditions. In general, mineralizations that have high grades, are easy to mine and enrich, and have all necessary permits in place should be mined early in the mining plan. In the case of Joma and Stekenjokk-Levi, this means that the mineralization in Stekenjokk which, assuming all permits are obtained, will in any case require more exploration and will therefore most likely be later in the mining plan. A not too unlikely scenario is that the other mineralizations in Joma, Gjersvik and Levi are mined over a 15-year period, while Stekenjokk is investigated more closely via drilling, among other things. This would mean that mining of the mineralization in Stekenjokk may not begin until about 15 years from now. The economic significance of the mineralisation in Stekenjokk in the overall financial valuation of the project would thus be less at present. However, this does not mean that Stekenjokk is unimportant for the mining project as a whole. By obtaining permission to mine and develop the mineralization in Stekenjokk, mining operations could potentially be extended by up to 10 years, which in turn means that jobs in the mine and with subcontractors will be able to remain for a longer period of time and that the mine as an economic engine locally and regionally has more time to create positive socio-economic development.

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Stockholm, October 2024

**Bluelake Mineral AB (publ)**

*The Board of Directors*

## **Disclosure of Information**

This information is information is such that Bluelake Mineral AB (publ) is obliged to make public according to the EU's market abuse regulation. The information was submitted, via the person below, for publication on 18 October 2024 at 14:45 CEST.

## **Additional information**

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## **General information about the Company**

*Bluelake Mineral AB (public) is an independent Swedish company active in exploration and mine development of copper, zinc, nickel and gold resources.*

*The Company owns approximately 99% of the subsidiary Vilhelmina Mineral AB, which is focusing on development of copper and zinc deposits in the Nordic region. In Sweden, the Company owns Stekenjokk-Levi project, where a total of approximately 7 million tonnes of ore were mined between 1976 and 1988 with an average grade 1.5% Cu and 3.5% Zn. Stekenjokk-Levi is, according to a recent Mineral Resource Estimate by SRK Consulting, containing inferred mineral resources of approximately 6.7 million tonnes with 0.9 % Cu, 2.7 % Zn, 0.6 % Pb, 55 Ag g/t and 0.2 g/t Au for Stekenjokk and inferred mineral resources of 5.1 million tonnes with 1.0 % Cu, 1.5 % Zn, 0.1 % Pb, 22 Ag g/t and 0.2 g/t Au for Levi (at a NSR cut-off of 60 USD/t). In Norway, the Company is owner of Joma Gruver AS which holds exploitation rights for the Joma field, where approximately 11.5 million tonnes of ore were processed between 1972 and 1998 with an average grade of 1.5% Cu and 1.5% Zn. The Joma field (excluding Gjersvik) is, according to a recent mineral estimate by SRK Consulting, containing indicated mineral resources of approximately 6 million tonnes with grades amounting to 1.00 % Cu and 1.66 % Zn and inferred resources of 1.2 million tonnes with grades 1.2 % Cu and 0.7 % Zn (at cut-off of 50 USD/t).*

*In addition, the Company holds exploitation concessions for the nickel project Rönnbäcken (which is Europe's largest known undeveloped nickel resource) and an exploration permit for Orrbäcken, both which are located in Sweden. According to a recently updated mineral resource update in by the mining consulting company SRK, the Rönnbäcken project contains a mineral resource of 600 million tonnes with an average grade of 0.18% Ni, 0.003% Co and 5.7% Fe ("measured and indicated"). The updated preliminary economic assessment that SRK completed predicts a production of 23,000 tonnes of nickel, 660 tonnes of cobalt and 1.5 million tonnes of iron per year for 20 years, which would be a significant share of Sweden's total annual use of nickel which thereby has a strategic value. Orrbäcken is considered to have potential as a nickel deposit.*

*Further, the Company holds an exploration permit for Kattisavan which is considered to have potential as a gold resource and is located within the so-called gold line, close to projects such as Svartliden, Fäboliden and Barsele.*