

The Copperstone Project: Operational update October 2015

Work Programme Completed

Since the last operational update, the following work has been carried out for the Copperstone project:

- *Detailed geological examination of historic drill cores*
- *Field survey of drill collars*
- *3D modelling*

Each of the different work packages will be described in detail below.

Detailed geological examination of historic drill cores

Since the beginning of August a large amount of drill core have been examined. In August 73 drill holes comprising 12,536m was completed and in September a further 76 drill holes comprising 10,243m was completed.

In total 149 drill holes totalling 22,779m was examined in order to build a comprehensive understanding of the geology of the property. To make improvements on the stratigraphy and structure, a further 23 drill holes were re-checked in order to map out the stratigraphy in the northern parts of the project area (3,785m).

In early October 2015, a further 10 drill holes were received from Boliden (1,198m) Currently Copperstone has access to cores from a total of 20 drill holes out of the 109 holes (the Boliden 1970's campaigns) actually drilled by Boliden. The balance remains at Boliden, and will be examined in due course. It is encouraging that Boliden has enabled the Company to gain access to the cores from the 1970 drill campaign. This will form a significant part of the total understanding of the project.

The Company has all cores from 139 drill holes in the SGU core storage in Malå originated from the later Lundin Mining campaigns (COS series) drilled between 2004 and 2007.

Field survey of drill collars

In early October 2015, a detailed field survey campaign was initiated in order to locate and re-survey as many old drill locations as possible. The survey included the measurement of XYZ coordinates, as well as drilled azimuth and collar dip. This survey is required in order to meet compliance with reporting codes in Mineral Resource declarations.

Of the 248 drill holes available, a total of 147 holes were located and re-surveyed (approximately 60%). A 5-fold classification scheme was created in order to process the results:

- Class 1: drill casing located, all parameters re-measured.
- Class 2: drill casing located, only azimuth possible due to casing damage.
- Class 3: drill casing located, only collar XYZ possible due to casing damage.
- Class 4: drill casing not located.
- Class 5: drill site not yet located.

Class	BH series	COS series	Total
Class 1	45	61	106
Class 2	26	9	35
Class 3	8	10	18
Class 4	15	4	19
Class 5	15	55	70
Total	109	139	248

This table shows the total number of drill holes for each Class. This work has provided a fundamental foundation for new geological interpretation and mineral resource reporting for the project.

Casing located
Casing not located

The following map shows the main clusters of drill holes and the key investigation areas within the project where survey work and new planned drilling is taking place.

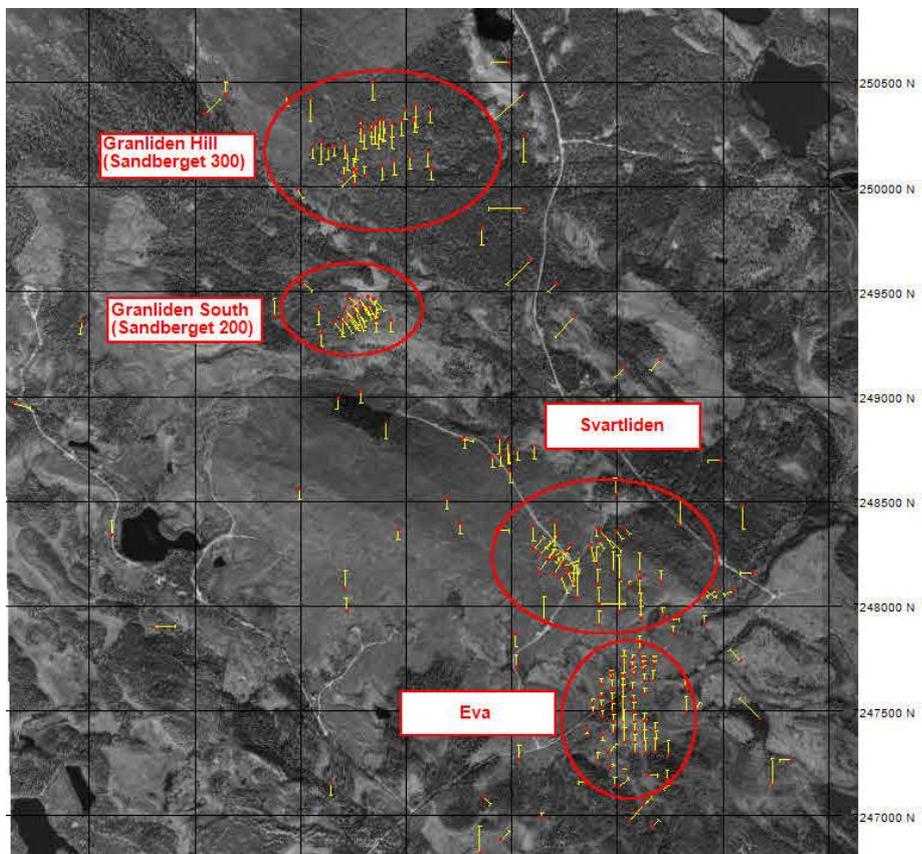


Figure 1: Plan showing drill holes

3D modelling

Using geological modelling software, all new collar survey results have been combined with available downhole deviation survey data (134 COS series drill holes). A digital terrain model of the property was acquired and used in combination with the ortho-photo of the property to create a high resolution 3D image (for an outline of the modelling, see figure 2 and 3). Updated and checked drill hole configurations have now been displayed and corrected.

Modelling work of all new geological data has commenced in order to build a comprehensive geological interpretation for the property.

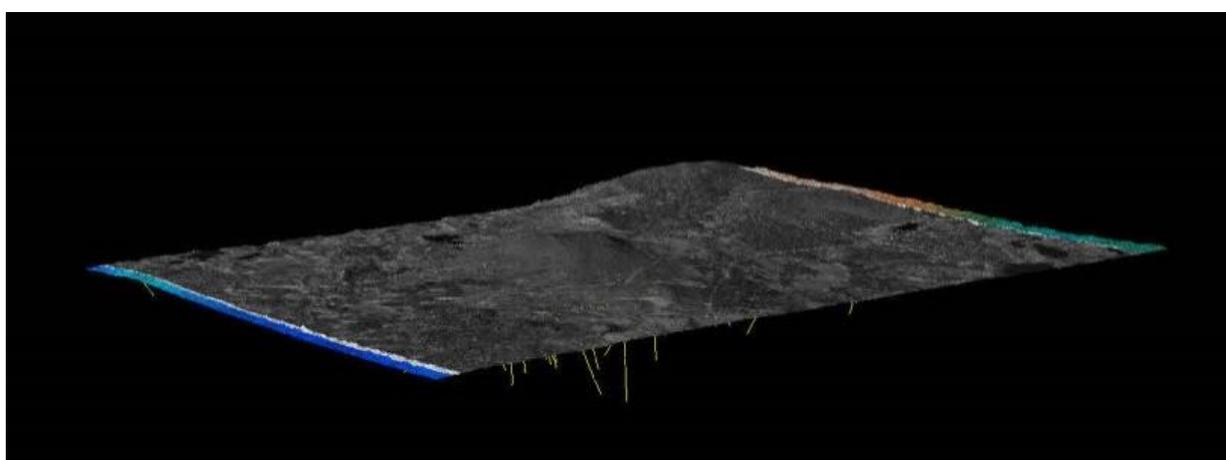


Figure 2: Elevated view northwest showing property topography.

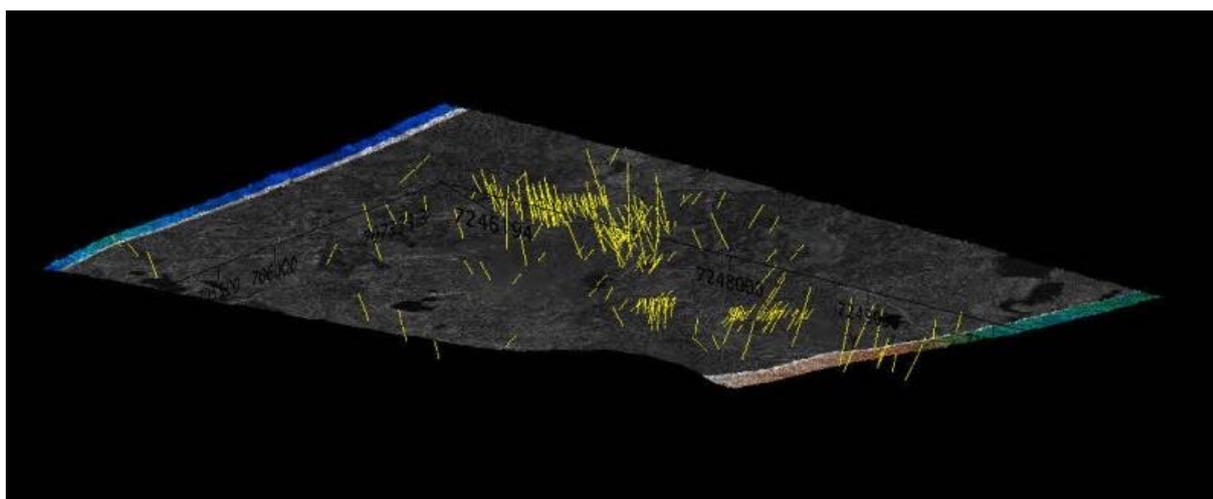


Figure 3: Underside view looking northwest showing all 248 drill holes for the project

2015 Core Drilling Campaign

Preparations for an initial drill campaign of 1,500m of NQ2 oriented core drilling is being finalized. A total of 10 angled drill holes, each to a planned depth of 150m, will be used to target mineralization envelopes at three key areas of the project, i.e. Sandberget 200, Sandberget 300 and Svartliden. All necessary approvals, statutory work plans and licences have been granted for this programme of work to commence.

The core drilling campaign will commence in October 2015 in the north of the project area Sandberget 300, and is expected to be complete around end November 2015.

Core orientation will be carried out using a Reflex ACT tool system, and will enable guidance of step-out holes to be positioned to follow the strike of the mineralization envelopes. The objective of this work is to test out the hypothesis that extensive copper-silver mineralization, formed as broad disseminations and stringers of chalcopyrite, coincides with property-scale structures trending NNE.

Mineralization trend confirmation drilling work will be carried out at Sandberget 300, Sandberget 200 and Svartliden. Resultant data will then allow meaningful and more accurate geological modelling of the available grade data for the project, thus supporting estimation of Inferred Mineral Resources for the project.

Once drilling work is underway, laboratory testing will then commence.

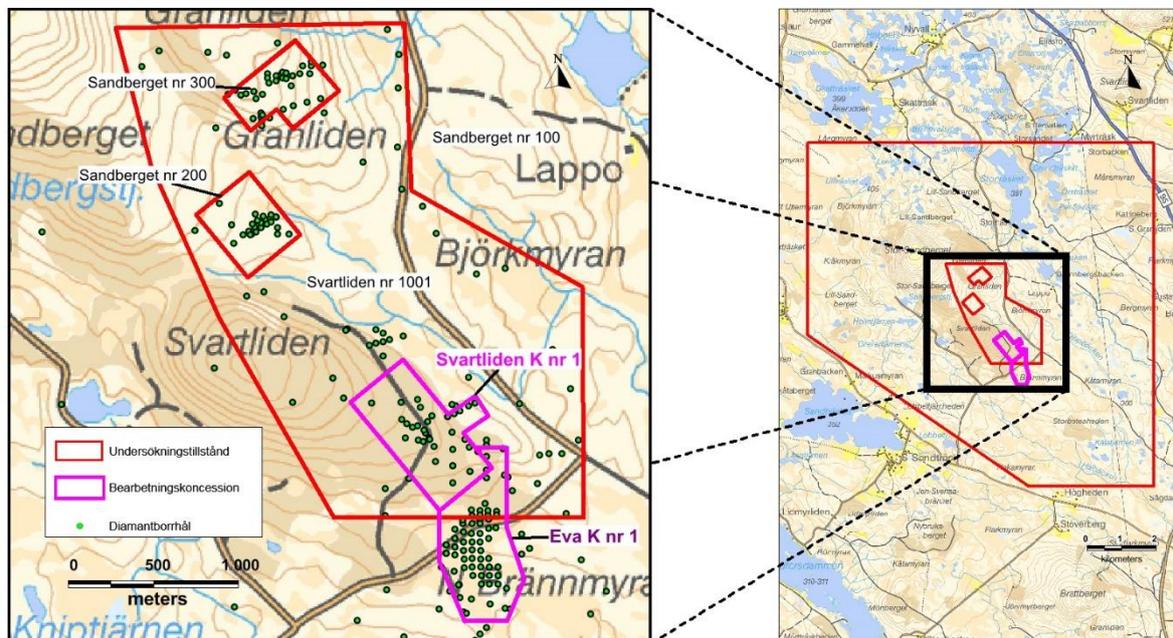


Figure 4 Project area and permit situation mid-October 2015. Drilling is planned for Sandberget 200, Sandberget 300 (exploration licenses) and Svartliden K nr 1 (mining concession)

Present geological interpretation

From detailed examination of available drill cores, current property-scale geological understanding has manifest as follows:

- The property is underlain by a layered sequence of pyroclastic units, lava, and intercalated units of sedimentary rock (conglomerate and sandstone-siltstone).
- Pyroclastic rocks are felsic in chemistry, and form both as ignimbrite flow sheets and thin air-fall deposits. The deposits are stacked vertically.
- Intercalated sedimentary units are volcanoclastic in origin and include erosive-based conglomerate-sandstone channel sequences, and proximal turbidite apron sediments.
- Lava units are typically amygdaloidal andesitic lobes that overly the pyroclastic sequence.
- All the layered geology units are intruded by a wide array of mafic dykes and sills.

Interpretation of property geology suggests that mineralization patterns are controlled by large asymmetrical fold structures that formed above a regional thrust fault.

Disseminated and vein chalcopyrite-arsenopyrite mineralization envelopes are interpreted to have formed parallel to the axial planar trace of these large fold-fault structures, thus forming an en-echelon array of targets trending approximately NNE.

Locally developed and older massive sulphide mineralization (Zn dominated) at Eva consists of replacement within a specific geological horizon, and probably is best interpreted as a subvolcanic VMS body.

Geological interpretation of the property is on-going and will be continuously updated as new drill data becomes available.

Expected Outcome

The present exploration programme will result in the declaration of a maiden Mineral Resources inventory (JORC-compliant) for the project by early 2016. The aim of this campaign is through new geological insight, to open up the scale and potential of the project and thus take the first steps to convert the 2014 Exploration Target of 60-100 Mtonne copper equivalents into Mineral Resources.

Principle geologist and competent person statement

Most of the geological content of this report has been prepared by Chris McKnight (Pr.Sci.Nat) and he has more than 25 years' experience in exploration, mining and engineering geology in Africa and Europe. In recent years, McKnight has been integral to the development of the



Copperstone project. He has an Honours Degree in Geology from the University of KwaZulu-Natal, Durban, South Africa

The content of this report has been examined and approved by M.Sc. Thomas Lindholm, GeoVista AB, Lindholm has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined by the 2012 edition of the "The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code')".