

ARCTIC MINERALS AB
<http://www.arcticminerals.se/>
Sector: Basic Resources
List: NASDAQ First North
Share Price: SEK 0.56
Market Cap: SEK 86 million SEK

New gold project added

Carlsquare Equity Research takes a positive view of Arctic Minerals broadening the portfolio with exploration permits in the Norwegian Katterat area. Even though the value of gold assets has been depressed during the year, the strong dollar dampens the fall for Swedish exploration companies.

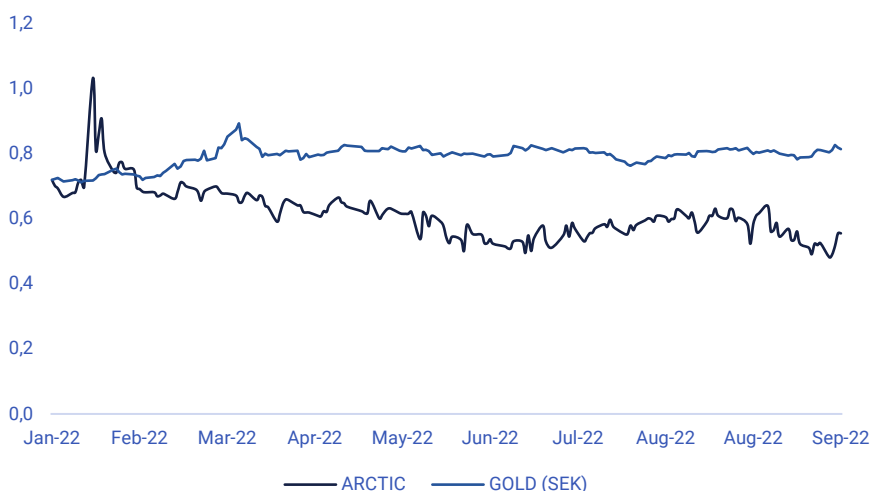
Arctic Minerals has completed the acquisition of a Norwegian project of twelve exploration permits totaling 116 km² in Katterat in the municipality of Narvik in Norway. The purchase price amounts to just over SEK 2m and Arctic Minerals pays mostly with own shares. The sellers will be part of Arctic Minerals' exploration team. Arctic Minerals states that gold in solid rock with high concentrations has been located, as well as visible gold when washing soil samples. Gold mineralization occurs in connection with a shear zone that follows a distance of several kilometers.

We assess that the acquisition is well in line with the company's strategy to identify mineral projects with the potential to become significant deposits, in order to then develop mineral resources in collaboration with larger mining companies. Arctic Minerals' partnership with Rio Tinto in Finland's Peräpohja is a good example that such collaborations are possible even in an early phase. Information about Katterat is scarce at the moment and we await further development to make a more detailed assessment of the project. However, we see it as a positive signal that the sellers will continue to work with Arctic Minerals and that they choose payment with shares.

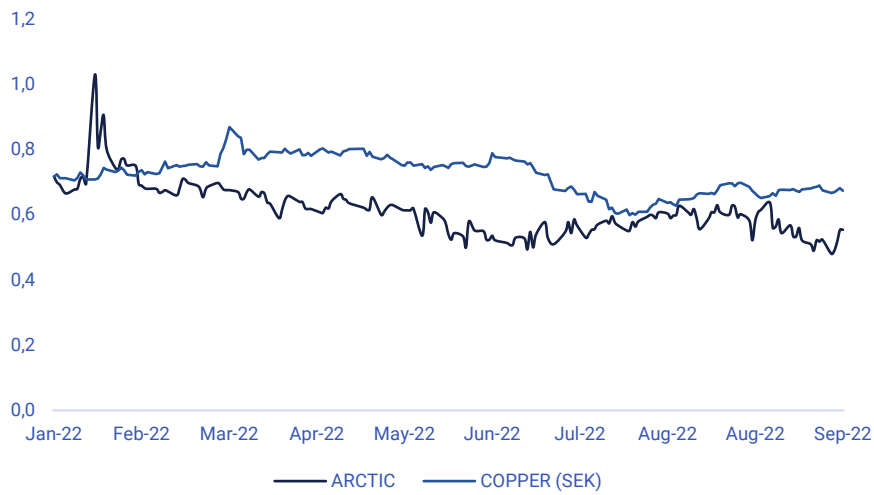
Dollar both sink and cushion in volatile markets

Since the beginning of the summer, the price development for base and precious metals has been volatile. Worse economic prospects and a sharply rising dollar have contributed to the concern. It has also weighed on junior gold companies and, for example, the sector (measured as GDXJ in the US) has fallen by around 30 percent during the year.

From a European perspective, however, the development has been more stable and in SEK, gold has actually risen in price. Below is the development for Arctic Gold during the year compared to gold in SEK (rebased).



At the same time, copper is down slightly, measured in SEK.



As Arctic Minerals is not yet producing, the company is not as exposed to cost inflation as mining companies.

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