

Mustavaara Vanadium Project FINLAND

A European source of Vanadium for global markets

Mustavaara Vanadium Project



NI 43-101 Compliant “Measured” Resource⁽¹⁾

- 30 million tonnes at 16.8% magnetite containing 0.91% vanadium (1.62% V₂O₅)
- Over 80,000 tonnes contained V₂O₅ (in-situ)

Opportunity

- Potential to expand resource to 45+ million tonnes with additional drilling

Competitive Advantage

- High quality strategic resource located in EU
- No political risk, highly skilled labour force
- Support for economic activity in the region
- Previously permitted mining operation
- Environmental Impact Assessment (EIA) program approved by local community and government officials

Favourable Location

- Located in Oulu Province, north-central Finland
- Finland ranked third most “Mining Friendly Location” by 2008 Fraser Institute Study
- Region has excellent infrastructure: roads, power, water, rail, industrial and residential facilities
- Local support for industry development, no royalties, top ranked EU economy

Quick Facts

LOCATION:	Finland
MINERAL:	Vanadium, Iron, Titanium
PROPERTY SIZE:	356 Hectares
STAGE OF DEVELOPMENT:	Advanced Stage, Past-Producing Mine
CURRENT WORK PROGRAM:	Scoping Study, on-going metallurgical testing
OWNERSHIP:	up to 70%

Scoping Study Parameters (Highlights)

MINE LIFE:	15 years
ORE MINING RATE:	3 million tonnes per annum
MAGNETITE CONCENTRATE:	445,000 tpa
VANADIUM PENTOXIDE:	6,500 tpa

A Fennoscandian Mining Opportunity

Vanadium

Vanadium is soft and ductile metal that has good resistance to corrosion. It has good structural strength and is principally used as ferrovanadium or as a steel additive to add strength to the steel. It is also used in other alloys such as specialty stainless steel for surgical instruments, rust resistant and high speed tool steels, and mixed with aluminum in titanium alloys used in jet engines and high-speed airframes. Vanadium steel alloys are used in axles, crankshafts, gears, and other critical components.

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The Mustavaara mine production accounted for some 10% of the global supply of primary vanadium. The operation shut down in 1985 when vanadium reached historically low prices. During its nine-year mining life, only 13.6 Mt of the open-pit reserves were removed. Adriana Resources Inc. and Akkerman Exploration BV recognized the potential of the former vanadium operation and are working to bring it back into production. Adriana, as project operator, is earning a 70% interest from Akkerman by taking the project to a bankable feasibility study stage.

Location and Geology

The Mustavaara mine is located 40 km north of the town of Taivalkoski on the boundary of the Oulu and Lappi provinces in central Finland. The property consists of four exploration claims, totaling 356 ha, which cover the mine and extensions of the mineralized horizon over a strike of almost 5 km.

The Mustavaara deposit is located within a 19 km-long and up to 5 km-wide layered, mafic intrusion (Portivaara intrusion) of the Koillismaa Complex. The orebody in the former open pit is 40-60 m thick, within a magnetite reef that is approximately 160 m thick and dips 35 degrees to the northwest. The deposit occurs as magnetite disseminations in a gabbro host, with a historic magnetite grade of about 14.6% over the proposed mining widths at an 11.9% magnetite cut-off grade. Overall, the vanadium grade of the magnetite concentrate is reported at 0.9% vanadium.

NI 43-101 Compliant Resource

Finland has a rich mining history and through its former state-run mining companies, it has managed to develop not only significant mining expertise but has also retained an extensive core library of the country's major projects, through the Geological Survey of Finland (GTK). Adriana was able to convert the historical, mining reserves to a NI 43-101 compliant measured resource without additional drilling. The Mustavaara mine now has a NI 43-101 compliant measured resource of 30 Mt, grading at 16.8% magnetite containing 0.91% vanadium.

Process Metallurgy

Metallurgical tests confirm vanadium recoveries of 90% or better using a roast-leach process modified from the original process of vanadium extraction from the Mustavaara ore. Tests were carried out at the University of Oulu, Finland and at the research laboratories of Ruukki in Raahе, Finland utilizing expertise that worked on the project when it was in production.

Opportunity

Historical drilling down-dip and along-strike of the Historically-planned open-pit indicates that the ore horizon is continuous and that there could be a potential resource in excess of 45+ Mt at Mustavaara. If the reported average grade of 0.9% vanadium in the magnetite concentrate is applicable to the full resource potential, the deposit would be on par with global giants in terms of contained vanadium.

(1) A Technical Review of the Mustavaara Vanadium Ore Deposit, Taivalkoski Commune, Finland for Adriana Resources Inc., October 4th, 2006, prepared by Watts, Griffis McQuat Limited, Consulting Geologists and Engineers

**“Global vanadium market to exceed
130,000 tonnes by 2015”**

– Global Industry Analysts, Inc.
October 29, 2008

**World production in 2007:
65,000 tonnes contained vanadium**

Corporate Information

Directors

Michael Beley	CEO & Director of Adriana Resources Inc.
Richard Barclay	CFO & Director of Adriana Resources Inc.
Anthony Kovacs	Managing Director, Vanadis Mines Oy
Vesa Silaskivi	Partner, Hammerström Puhakka Partners (HPP)
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Auditors

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