

Belvedere stakes claim to Finnish nickel

TAKE a talented technical mining team operating in a European country that is highly developed and supportive to the sector. Add the presence of a number of nickel properties and the prospect of producing a cash flow from mining by the end of 2007. The scenario described suggested a bright future for the previously state-employed mining team at Finn Nickel – the one obstacle being lack of cash.

Enter the Toronto-listed exploration company Belvedere Resources which believes it has done one of the best deals around by taking a 45% stake in the Finnish company. "They are a natural fit for us," says Belvedere Resources CEO David Pym. "While they are a private company with no access to capital, the team at Finn Nickel really know their stuff. They have also been part of the Finnish mining establishment a long time and have very good contacts."

Aside from Belvedere's access to cash as a listed company, the natural fit also applies to the Canadian company's own focus on Finland where it has gold, cobalt, copper zinc and uranium targets in four main project areas: Bothnia, Kuusamo, Rantasalmi and Muonio. In fact with around 50 km² of claims, Belvedere is Finland's eighth largest claim holder in a country which, Mr Pym says, "is wide open because of the high cost of holding large areas of claims."

The company's strategy is to focus on exploration in Finland, spending money carefully and wisely to bring on projects until it is appropriate to seek a partner. Like the team at Finn Nickel, Mr Pym and his colleague, COO Dr Toby Strauss, are geologists first but have some heavyweight business acumen behind them - Harry Dobson, a seasoned mining entrepreneur and one-time (highly successful) Manchester United investor, who has recently taken more of a hands-on interest in the company after being appointed chairman. Mr Dobson, who launched Belvedere with seed capital from day one, regards the company as a seriously exciting prospect.

Following a funding earlier this year associated with its €1 million investment in Finn Nickel, the company has around C\$3 million in the bank – certainly enough to keep its exploration work moving along while Finn Nickel prepares for an initial mining operation which it is aiming to bring into production by the end of Q1



THE TEAM

HARRY DOBSON

Non-executive chairman

Harry Dobson, has been and remains director and/or chairman of several exploration and mining companies. As chairman of American Pacific Mining, he successfully reopened the El Mochito zinc and silver mine in Honduras, and as chairman of Kirkland Lake Gold put the Macassa gold mine back into production.



DAVID PYM

CEO

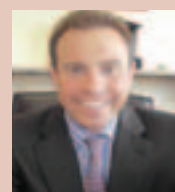
David Pym, who has a BSc in geology from the University of Queensland, brings to the board of Belvedere over 15 years of management and geological experience in direct mineral exploration for a wide variety of commodities and deposit styles in varied terrains around the world.



DR TOBY STRAUSS

COO

Toby Strauss has an MSc and a PhD from Rhodes University, South Africa. He has been working in mineral exploration in Finland since 1996, and brought his extensive experience in gold, diamond and base metal exploration to the Belvedere team in 2003, joining the board in 2006.





2007. Finn Nickel is currently negotiating for a concentrate plant in central Finland, the aim being to develop a first mine at its Särkiniemi nickel deposit which is located in the Leppävirta area, one of the richest nickel districts in Finland.

While the nickel concentration in Finland is relatively low grade by world standards, Mr Pym and his team are more than happy with the prospects for their investment. It has allowed them to buy into an advanced stage, fully permitted project with relatively small start-up costs and the likelihood of a quick return. "It's a six month project at surface but it will generate cash flow to generate larger projects," says Mr Pym. "It's a step-by-step approach and a self-funding one."

The Finn Nickel properties have a historical resource of around 30,000 t of nickel but this is likely to increase, says the company, as further exploration work is completed. With Finn Nickel's business plan based on a nickel price of US\$12,000/t – a long way below the current price of US\$33,000/t – Belvedere should have earned back its investment within a year. With LME nickel stocks at their lowest in 40 years, there seems little likelihood of a fall off in demand.

What's more, says Mr Pym, "the cheap extraction of nickel from low-grade laterite ore that was supposed to have moved the whole market around just hasn't

"The discovery of gold in the mineralised intersections continues to confirm our belief in the area's potential. One of our priorities is to determine the extent of the gold mineralisation"

materialised. This was supposed to keep the nickel price at under US\$6,000/t but it just hasn't happened".

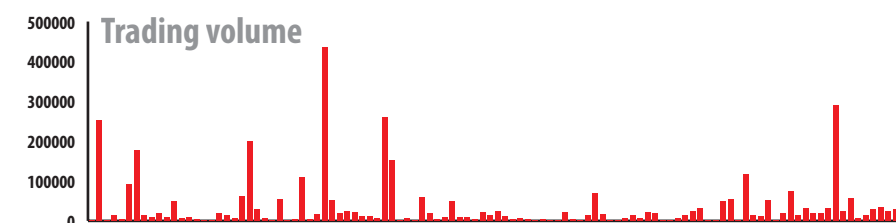
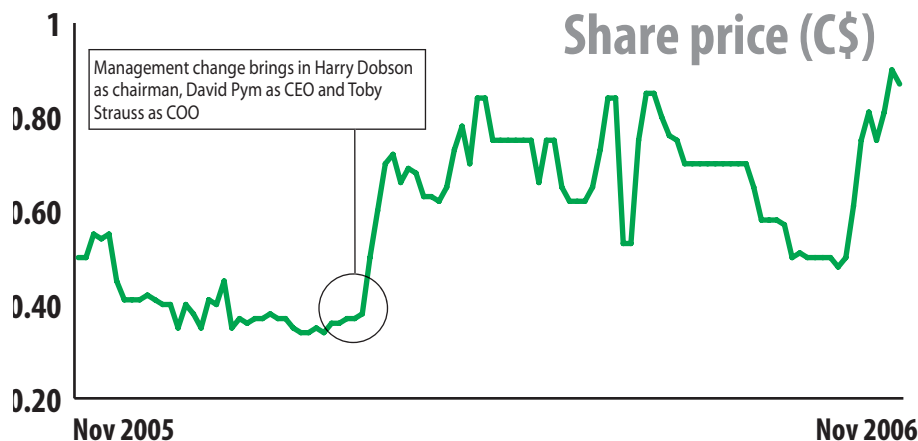
Outside of its Finn Nickel interest the company is making steady progress on a number of fronts. It recently announced that it had begun a 1,500 m drill programme on its Kiimala and Kopsa properties, located in central Finland on the Bothnian belt where it is the principal claim holder. The company has reinterpreted existing data from the Geological Survey of Finland and is seeking to build on a successful drilling programme at Kopsa in 2004 by extending the gold mineralisation.

Also in the Bothnian district, the company has its

sights on Kangaskyla as an exciting prospect for the future. A recent geochemical survey has identified a number of strong anomalies associated with boulder trains bearing visible gold, which will be drill-tested once drilling is complete at Kopsa. A new resource estimate is being prepared for Osikonmäki in the Rantalsalmi District of Bothnia which will incorporate the results of the company's summer drill programme.

Belvedere is also active in the Kuusamo district of Lapland where it has re-assayed mineralised intersections on its 100% owned Haarakumpu property which was originally discovered in 1982 and contains significant deposits of cobalt, and copper. "The discovery of gold in the mineralised intersections continues to confirm our belief in the area's potential," says Mr Pym. "One of our priorities is to determine the extent of the gold mineralisation."

The company maintains that success in the discovery and development phase in a highly diversified portfolio produces the greatest value for its shareholders – without busting the bank. Add to this the security and relative convenience of operating in a country like Finland and it is hardly surprising to see why the always ambitious Harry Dobson is maintaining a hands-on interest in Belvedere.



VITAL STATISTICS

Name: Belvedere Resources
Address: PO Box 489, Fort Langley, British Columbia, Canada, V1M 2R8
Tel: +1 604 408 4550
E-mail: enquiries@belvedere-resources.com
Website: www.belvedere-resources.com

CONTACT

CEO: David Pym
Tel: +44 (0)7931 371869

SHARE INFORMATION

Listed: TSX-V
Ticker: BEL
Shares in issue: 42,355,438
Market capitalisation: C\$28.8 million
Net cash: C\$3.3 million

ASSOCIATES

Auditor: Deloitte & Touche
Legal counsel: Clark Wilson
Transfer agent: Computer Share Trust Company