



Mediaportal Report

01/08/2010

▶ **Aussie junior targets Swedish potential**

Gold and Minerals Gazette, 01/08/10, General News, Page 12

By: Sam Burns



Aussie junior targets Swedish potential

By Sam Burns

As a student Damian Hicks may have viewed the huge iron ore developments in his State of Western Australia as projects only for the big boys. However, on moving into the exploration sector as a youngish company manager he would have developed other ideas.

That included, after taking the helm of the Hicks family-influenced Hannans Reward Ltd, the idea of getting into the iron ore business but not in Australia.

Hannans Reward was a sponsor and now a significant shareholder of Scandinavian Resources Ltd (ASX: SCR) which has a quest to become an iron ore producer in northern Sweden which has a strong background in iron ore.

Hesitation shown by corporate Australia when assessing Sweden's iron ore potential was understandable, considering Australians don't have to look further than their own backyard – the Pilbara – to find the mother of all iron ore operations.

The Kiruna district of northern Sweden – Scandinavian Resources' backyard – must also be acknowledged as a major player on the global iron ore scene as it plays host to Europe's largest underground iron ore mine.

"It's been very difficult in some respects explaining the Scandinavian Resources story to people in Western Australia because Sweden and Norway are a very long way from WA and people aren't really aware of the history of mining and exploration in Sweden and Norway," said chairman Damian Hicks.

A factor that lured Scandinavian Resources exploration team, headed by experienced Swedish geophysicist Olof Forslund, to the Kiruna district was the potential to mine high-grade magnetite without having to raise the enormous overhead capital of the type that can be soaked up in the WA's north.

"The iron can be liberated from the rock without spending billions of dollars and that's obviously critical to any commercialisation scenario," said Hicks.

Currently, Scandinavian Resources has exposure to 98 million tonnes of iron ore in six prospects.

The aim over the next 12 months for Scandinavian Resources is to double its current resource base to 200 Mt, and to classify them under the JORC code.

"We really need to get 250 Mt for the first target, but to be stand-alone we probably need to have around 500 Mt,"

said Hicks.

The company is looking to implement a 'Pilbara-like' aggregation and exploration strategy within the Kiruna district.

Ideally a number of satellite deposits would feed into a central processing hub, with the aim of delivering high quality iron products to the European market.

"The difference between the Pilbara and the Kiruna district is the whole European Union scenario. The EU consumes about 20% of the world's mineral resources every year, but only produces 5%, so they're very reliant on imports," said Hicks.

A positive move has been the joint venture with Tasman Metals Ltd, which has given access to high-grade iron projects classified under the JORC code, and also the scope for direct shipping ore in the future.

"It's a very low-brow joint venture, not over the top like you have to pay in Australia.

"They're all aware that if we retain our little iron projects we're going to get nowhere. We need to roll them in to get something bigger, and that's why they agreed to do this joint venture," added Hicks.


back



Scandinavian Minerals exploration team on the Kiruna tundra