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## Deal ignites Scandinavian's share price

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**SCANDINAVIAN Resources has put its foot on an iron ore property in Sweden less than 3 kilometres from Europe's largest iron mine after striking a deal with majors Anglo American and Rio Tinto for \$US7 million (\$A7.07 million).**

The news has hit the right chord with investors, with shares in the group up more than 20% in early afternoon trade.

It also has an exclusive license to utilise Anglo American's exploration database for Sweden.

The property in question is Rakkuri and contains inferred resources of 87.7 million tonnes grading 33.2% iron with an exploration target of between 25-35Mt at 25-36% iron.



Image by Tage Olsin, reused under Creative Commons

It is located less than 3km from the 2 billion tonne Kirunavaara iron mine owned by LKAB.

There is also access to an open access railway that leads to a deep water port at Narvik in Norway.

Scandinavian is acquiring the property through its wholly owned subsidiary Kiruna Iron AB.

Director Olof Forslund said the deal was a major milestone for Kiruna Iron.

"The Rakkuri project is well known in Sweden as a copper-gold project and the mineralisation is hosted in magnetite; typical of an iron oxide-copper-gold deposit and district such as Kiruna," he said.

"We've now assessed the available data and we're quite confident that this iron project will increase in size with additional drilling."

One key aspects of the deal, apart from the \$7 million payment [first payment of \$US3 million with the second due before the end of the month and the balance within 12 months], is a net smelter royalty of 1.5%.

The company also has a \$A2.5 million loan agreement to fund exploration activities and working capital.

Shares in Scandinavian are up 23.53% to 21c.

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