

Australian company moving into the big iron ore league in Sweden

The rapid accumulation of iron ore projects in Sweden's mining heartland of Kiruna for West Perth-based Scandinavian Resources gained another significant notch this week.

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PERTH -

Scandinavian Resources Ltd. (ASX:SCR) has now acquired the Ekstromsberg and Tjarrojakka iron ore projects, about 45 kilometres from Kiruna inside the Arctic Circle in northern Sweden which chairman Damien Hicks said adds 250 million tonnes of iron ore to the company's portfolio.

"It's my opinion that SCR is now firmly entrenched in Europe's number one iron mining district through its strategic land position and quality portfolio of iron resources," he said.

The new projects were acquired by subsidiary Kiruna Iron AB (KIAB) from Swedish company Grangesberg Iron AB and gives KIAB a large package of licences with established resources and reserves in the Kiruna region.

This includes large deposits, near the Kiruna mining and processing complex owned by LKAB, that Scandinavian acquired late last year from Anglo American Corporation and Rio Tinto, including the advanced Rakkuri project, only 3 km from Kiruna. LKAB's Kiruna iron ore mine is one of the world's largest underground mining operations.

Scandinavian has maintained a strong drilling programme on its properties in the Kiruna district, including Rakkuri which, on acquisition, had an inferred 87.7 Mt at 33.2% Fe and an exploration target of a further 25-35 Mt in the 25-36% Fe range.

Hicks said the company will continue drilling to increase its global resource base, with aim of reaching 1Bt by 2012/2013. Phase one of this work has been completed and a JORC resource update was scheduled by the end of next month.

The company said an analysis of the Scandinavian Resources peer group -- Northern Iron (ASX), Northland Resources (TSX-V), Beowulf Mining (AIM) and Dannemora Mineral AB suggests Scandinavia was getting on the radar.

Back in March the president of LKAB, Lars-Eric Aaro, addressed the European Parliament in Brussels concerning raw materials from the Barents region of Scandinavia, pointing to the need to improve and expand infrastructure, streamline application processes for environmental permits, and the need to reduce raw material imports into Europe.

Scandinavian Resources is looking at a blueprint that would see it developing deposits in the 50-100 Mt range in the Kiruna district and transporting them to the port of Narvik in Norway.