

# Aura takes shape in Sweden

Aura Energy is developing a significant uranium prospective landholding in a country which not only has a very low investment risk but also has a high regard for nuclear power. By **Wally Graham**



Aura Energy managing director Bob Beeson.

When Australian uranium play Aura Energy recently spoke to *RESOURCESTOCKS* the company was eager to start exploration considering its applications for exploration licences in the Alum Shale uranium provinces of Sweden are soon to be granted.

The company's eagerness is well founded as the Alum Shale formation of Scandinavia is regarded as the largest known uranium resource in Europe, with

the Swedish section of the shale containing exceptionally large resources of uranium, vanadium, molybdenum and nickel.

Aura's most recent application in this area is Gurumyren, which when combined with the previously-applied-for areas of Marby and Häggån, extends its land holding in the province by 50% to 98 square kilometres of outcropping and near-surface Alum Shale in Jämtland, a county of Sweden.

Aura's Alum Shale landholding is less than 2km from a recently reported 232 million

pound uranium resource in adjoining exploration licences held by Toronto-listed Continental Precious Metals.

"In our projects in Sweden we have two main areas," Aura Energy managing director Bob Beeson told *RESOURCESTOCKS*.

"One is the Alum Shale where we are hoping to start work very soon. Our exploration manager Stephen McCaughey has been in Sweden starting fieldwork in the form of ground reconnaissance; mapping and sampling, geophysical surveys, and also locating the drill core from past explorations for resampling.

"The Swedish Geological Survey (SGU) carried out exploration for uranium in this area in the 1970s and they did some very coarse drilling, just reconnaissance exploration, and that information is available to us. Fortunately the SGU has kept the drill core and is making it available to Aura.

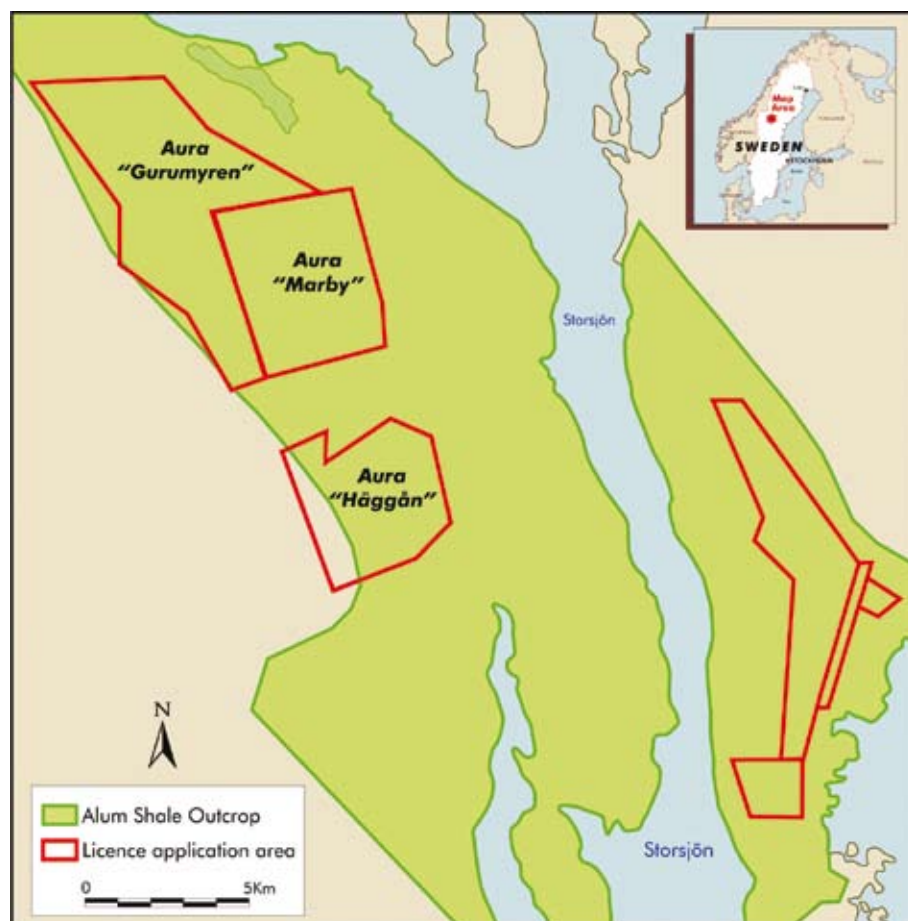
"Our immediate task is re-log the core and then obtain samples for assay and metallurgical test work."

Although no previous uranium exploration has been completed in the areas of the Alum Shale that Aura has applied for, several outcrops plus the continuity of geology in nearby drill holes led the SGU to conclude the Alum Shale host rocks continue into the applications.

Aura's other main projects in Sweden are the Stripa and Håkantorp tenements granted by the Swedish Mines Inspectorate in August.

"We have already started fieldwork at Stripa and Håkantorp, where one of our geologists has been on the ground taking samples and mapping," Beeson said.

Uranium was originally discovered in the Stripa iron ore mine in the 1950s when the Swedish Government mapping at the time identified 'a few hundreds of tonnes' of



Location map of Aura Energy's application areas and the extent of mineralised Alum Shale in outcrop and near subsurface.

uranium mineralisation at grades between 0.2% and 1% uranium.

No drilling was carried out during the previous uranium exploration at Stripa and there has been no reported uranium exploration at the site since 1960.

Aura is confident there is potential for additional zones along and across strike as mineralisation occurs in ironstone bodies, which can be delineated through the use of magnetics surveys.

The company also has great confidence in its exploration licences that cover the Håkantorp project, centred on a belt of historic iron ore mines north of Zinkgruvan in the Bergslagen Province in central Sweden, about 180km west of Stockholm.

High-grade uranium mineralisation of reported grades of 3-4% uranium occurs in a zone, which extends for at least 400m along strike. The uranium is associated with iron ore occurrences in the Håkantorp area.

"We are very positive about our Håkantorp project," Beeson said.

"Exploration was also carried out there in the 1950s, and we have actually spoken to a geologist who was involved in that exploration.

"We understand that the government dewatered some old mines and carried out mapping and sampling. We have been told that there was no drilling in the program, but that they were very encouraged by what they saw at the time.

"We haven't been able, as yet, to locate records from that work and that is something we are pursuing at the moment."

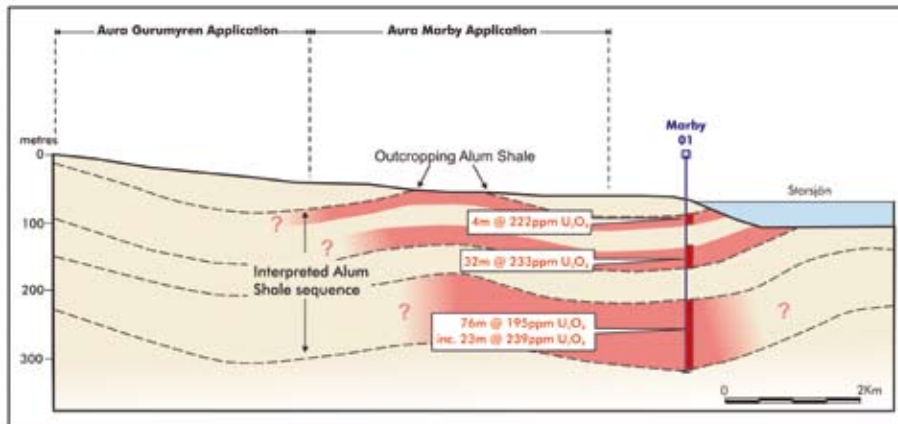
Sweden relies on nuclear power. Ten nuclear reactors provide around 50% of the country's electricity needs and, most importantly for uranium exploration groups like Aura, it has a large uranium resource base that comprises about 15% of the world's known resource.

The recent *RESOURCESTOCKS* World Risk Survey identified Sweden as the country with the least amount of investment risk. It has low political risk and there are few impediments to the exploration and development process.

A major revision of Swedish mining law in 1992 has allowed 100% ownership by foreign companies for the first time and taxation incentives are in place for project development from local and regional governments.

"We are obviously pleased with the World Risk Survey result," Beeson said.

"Mainly because Sweden is not all that well known to Australian investors so we are very keen for the investing public to become more aware of how good a country Sweden is when it comes to mining investment.



Aura geological interpretation of the Marby and Gurumyren application areas.

"Historically Sweden has more than a thousand years of mining; it has very good mining infrastructure and the Government is very pro-mining; it has been very supportive of our activities.

"Processes take less time there, for example our Stripa tenement was granted within four or five months of application, which is much faster than Australia.

"The infrastructure in Sweden is excellent; the road systems are very good, even in remote areas like where we are with the Alum Shale projects. We have a railway line going through one of our tenements, we are next to lakes with an abundant supply of fresh water and, of course, as a country that operates on 50% nuclear energy, there is a more mature debate on uranium and nuclear issues in the country than in Australia."

Although Sweden relies on nuclear energy for a large proportion of its power, the country, like the rest of the world, has concentrated on expanding in other areas such as car manufacturing and communications, which have taken precedence over mining in recent years.

In general the world had lost interest in uranium since the 1980s, which resulted in few new uranium mines commissioned and because of this, uranium slipped off world radar screens. Aura has been able to take advantage of this situation to secure some excellent ground.

"Aura Energy sees a major part of its future as a company being in Sweden and we will be progressing these projects as soon as we can," Beeson said.

"The past work has shown that there is a large amount of uranium within our applications, although we have yet to bring these to JORC-compliant resource status. Our task is to determine that we can extract it economically.

"Our first priority is to carry out a program of test work over the coming months to determine extraction routes. Our second priority, obviously, is to drill-test the area so we can define the mineralisation that is present."

Aura Energy expects the portfolio of tenements it is developing in Sweden will greatly complement its already advanced activities in Australia and Africa.

"We have transformed the company since we listed just over a year ago, and it will continue to change and to grow," Beeson said.

"We don't know for certain just yet how much uranium we have in our Swedish properties, but as our programs continue, we are confident we will demonstrate the quantities of uranium that we do have to be very large indeed." **RS**

**aura energy**  
at a glance

CODE: AEE

6 months ending 11 October 2007

Source: Iress

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\$8.47 million (at press time)

Major Shareholders

Drake Resources 12.33%  
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Taycol Nominees 2.6%