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## **Northland Resources update on Kaunisvaara iron ore project**

*Tuesday, 08 Sep, 2009*

Northland Resources Inc said that it is moving to work on the feasibility study for its Kaunisvaara iron ore concentrate project in northern Sweden after the preliminary economic assessment confirmed it is technically feasible and financially positive.

The company expects the feasibility study to be completed during the second quarter of 2010.

The Kaunisvaara project which includes the Tapuli, Sahavaara and Pellivuoma magnetite iron ore deposits is estimated to have a 24 year life of mine based on NI 43-101 defined resources. The schedule currently envisages production at the Tuvali open pit to begin in 2012 and at the Sahavaara open pit in 2013.

Production of iron ore concentrate is forecast to be 2 million tonnes per year in 2012, rising to 5 million tonnes in 2014.

According to the PEA, Northland will need to secure financing of approximately USD 417 million as the total CAPEX will be partially funded by project cash flow. Total CAPEX to reach 5 million tonnes of concentrate capacity is USD 617 million.

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