



**KIRUNA IRON** AB

THE NEW KIRUNA IRON COMPANY

# Investor Presentation

8 February 2011

Kiruna Iron AB has been incubated by the Team at  
Scandinavian Resources Ltd (ASX:SCR)

Kiruna Iron AB is striving to become a producer of  
premium quality iron products

Kiruna Iron AB is owned 100% by  
Scandinavian Resources Ltd (ASX:SCR)



**Damian Hicks**

Chairman

- Founding director
- Founding director of Hannans Reward Ltd in 2002, currently Managing Director
- Bachelor of Commerce (Accounting & Finance) from University of Western Australia
- Admitted as Barrister & Solicitor in Western Australia



**Ian Gregory**

Director & Company Secretary

- Over 25 years experience in the provision of company secretarial services in the exploration, mining, mineral processing, and other industries



**Markus Bachmann**

Non-Executive Director

- Corporate finance professional and founding partner of Craton Capital
- Craton Capital awarded Fund Manager of the Year at the Mining Journal's "Outstanding Achievement Awards" during December 2010



**Olof Forslund**

Technical Director

- Founding director
- Geophysicist with extensive international experience in the mineral exploration industry
- Majority of career with Geological Survey of Sweden (SGU); commenced in 1966
- Previously Regional Manager of SGU Mineral Resources Information Office



**Paul Thomas**

Non-Executive Director

- Metallurgist in the mining industry for 25 years
- Managing Director of OM Holdings Ltd's (ASX: OMH) subsidiary, OM Manganese

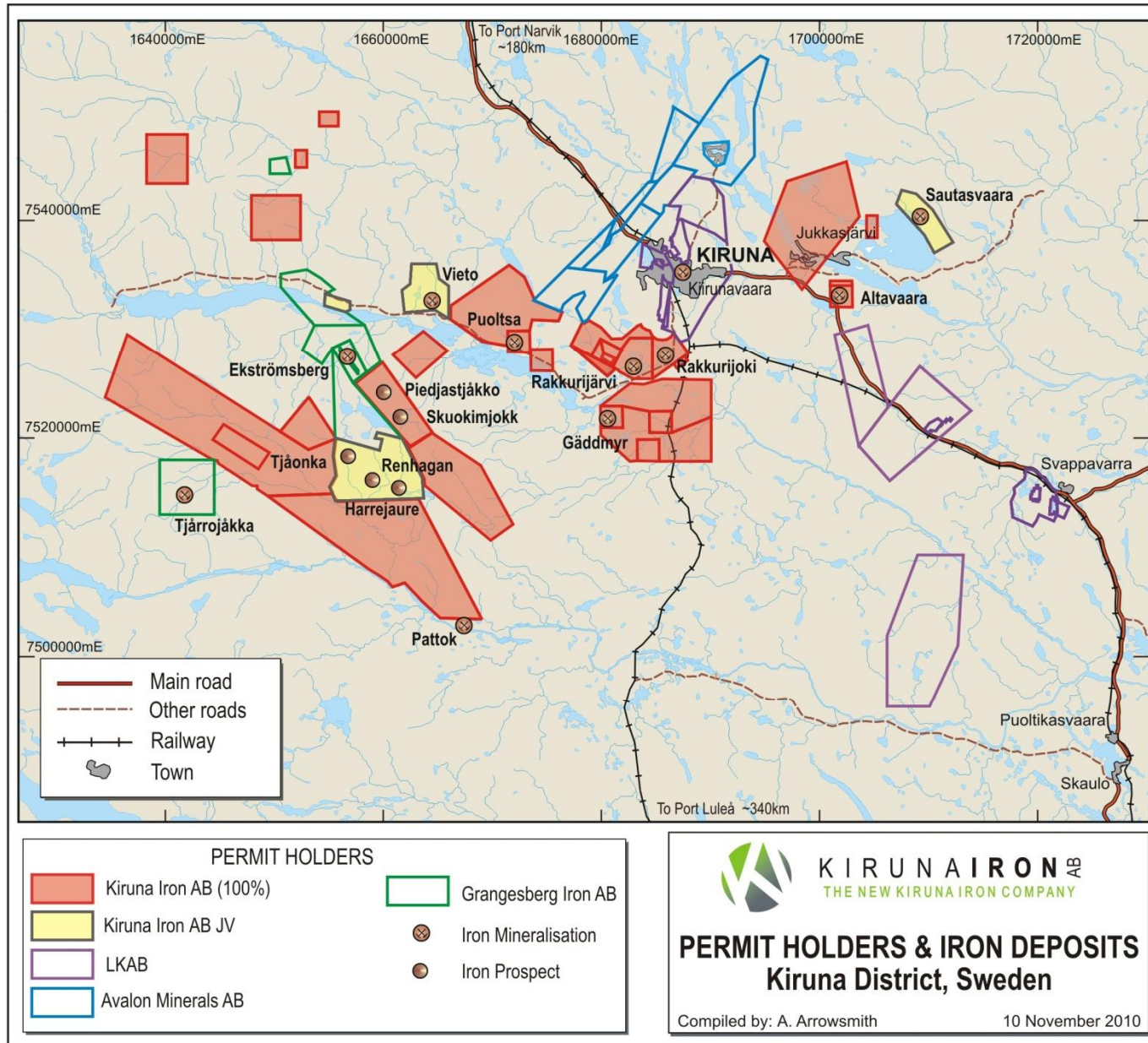
To implement the business model made successful by Fortescue Metals Group (large cap), Atlas Iron (mid cap), Brockman Resources (mid cap), Giralia Resources (mid cap), FerrAus (small cap) and ex-Warwick Resources (micro cap) in the Pilbara region of Western Australia...namely...aggregate a meaningful land position through acquisition, joint venture and application in a world class iron province and thereafter convert iron deposits with minimal historic drilling into JORC resources and ultimately mining assets

	Pilbara (pre-2002)	Kiruna District (Today)
<b>Major Iron Miners</b>	<b>BHP Billiton and Rio Tinto</b>	<b>LKAB</b>
Infrastructure	Modern Rail and port handling facilities owned by major mining companies	Modern Rail owned by Government Port handling facilities owned by LKAB
Iron Province	World class	World class
Type	Long-life DSO hematite iron mines	Long-life (+100 years) high grade magnetite mine Potential for hematite?
Iron mineralisation	Home to Australia's largest iron mines Regionally extensive lateral iron formations	Home to Europe's largest iron mine Regionally extensive magnetite occurrences
Area	+500,000km <sup>2</sup>	+20,000km <sup>2</sup>
Exploration Stage for Iron	Advanced	Relative to the Pilbara - underexplored







# NORTHERN SCANDINAVIAN IRON COMPANIES

COMPANY	TONNES (Mt)	IRON GRADE (%)	MARKET CAP (A\$M)	LOCATION	STAGE / LISTED EXCHANGE	NOTES
Scandinavian Resources Ltd	185 (SGU deposits & Resources)	35	30	Northern Sweden	Explorer ASX:SCR	<ul style="list-style-type: none"> <li>Minimal exploration since 1970</li> <li>Located adjacent to Kiruna town and rail infrastructure</li> <li>No off-take agreements</li> <li>OMH own 19% of SCR</li> </ul>
Northland Resources Inc	176 (Reserves)	26 - 41	679	Northern Sweden	Developer TSX:NAU	<ul style="list-style-type: none"> <li>Intensive exploration during last 5 years</li> <li>Recently delivered DFS for Kaunisvaara</li> <li>Plan to truck ore 150km to rail head en route to Narvik</li> <li>Off-take agreements with Standard Bank, Stemcor and Tata Steel</li> <li>Project finance in place</li> <li>Fully permitted</li> </ul>
Northern Iron Ltd	577 (Resources & Reserves)	32	638	Northern Norway	Miner ASX:NFE	<ul style="list-style-type: none"> <li>NFE negotiating long life off-take with OMH subsidiary</li> <li>OMH own 16% of NFE</li> </ul>
LKAB				Northern Sweden	Major Miner	<ul style="list-style-type: none"> <li>International high-tech minerals group</li> <li>One of the world's leading producers of upgraded iron ore products</li> </ul>





- Establish significant JORC compliant inferred resources
- Three phases of diamond drilling planned for 2011
- Phase I has commenced (January – April)
  - 10,000m planned, drill rigs secured, permitting in progress
- Phase II – summer drilling (July – September)
- Phase III – winter drilling (November – December)
- JORC Resource Update planned for July 2011

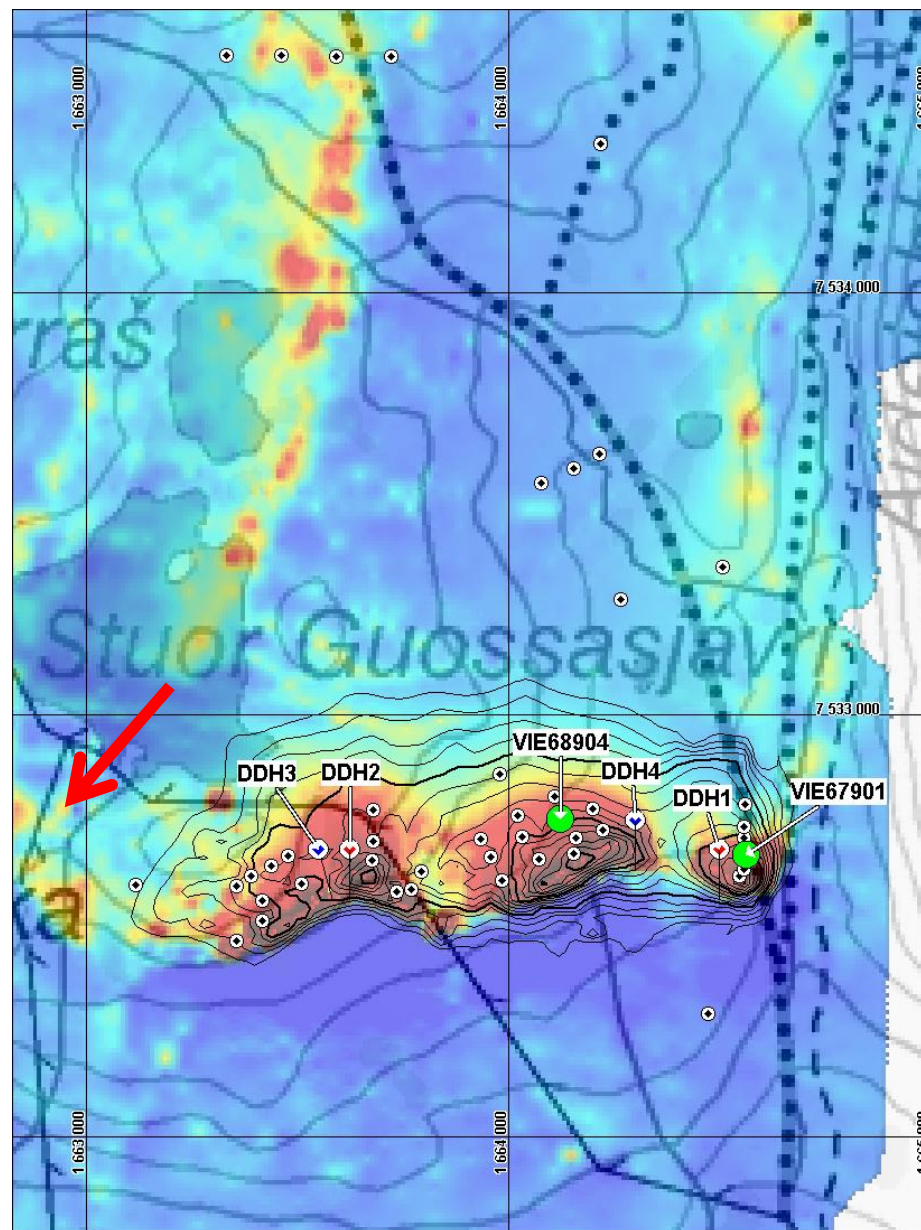
CURRENT		PLANNED	COMMENT
Foreign historical deposits		JORC compliant inferred resources	Convert SGU deposits into JORC compliant resources
JORC inferred resources		Increased tonnes and grade of JORC inferred resources	Potentially increase size of existing JORC inferred resources
JORC Exploration Targets		JORC inferred resources	Potentially convert exploration targets into inferred resources
Greenfields iron targets		JORC Exploration Target	Test greenfields exploration targets that have no diamond drilling

Exploration is being planned, managed and reviewed by independent consulting firm GeoVista. The brief to GeoVista is to complete sufficient drilling to achieve the internal tonnage and grade goals (subject to funding, permitting and weather) and to enable JORC compliant statements (Inferred) to be published for various Company deposits as soon as practical after interpretation of results.

## Phase I Drilling Summary January – April 2011

- Twinning of 2 historical holes, 67901 & 68904, totaling 360m.
- 2-4 exploration holes planned to test open positions within the anomaly package, totaling 880m. DDH3 and DDH4 pending on results from DDH1 and DDH 2.
- Possibly hematite potential along strike (red arrows).

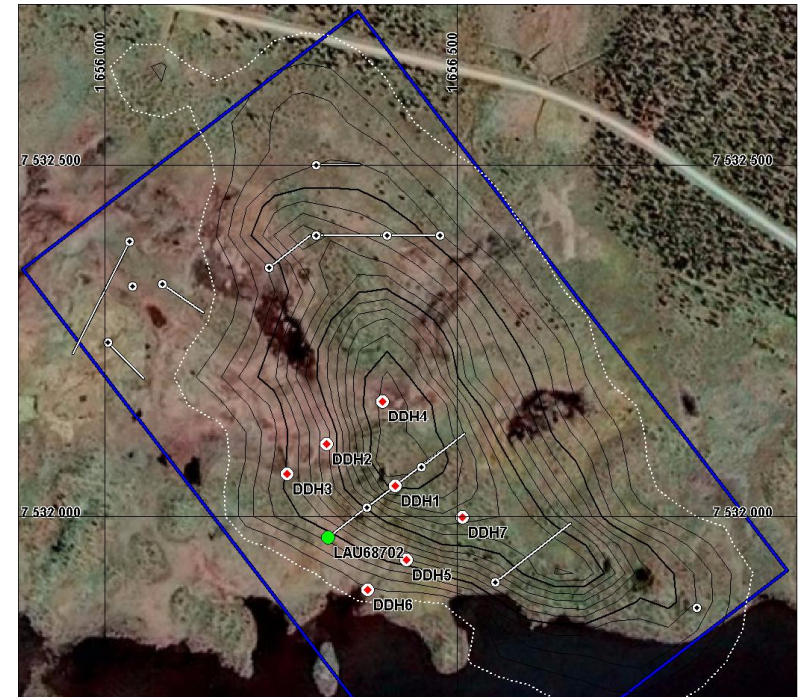
TOTAL: 880-1,240m planned





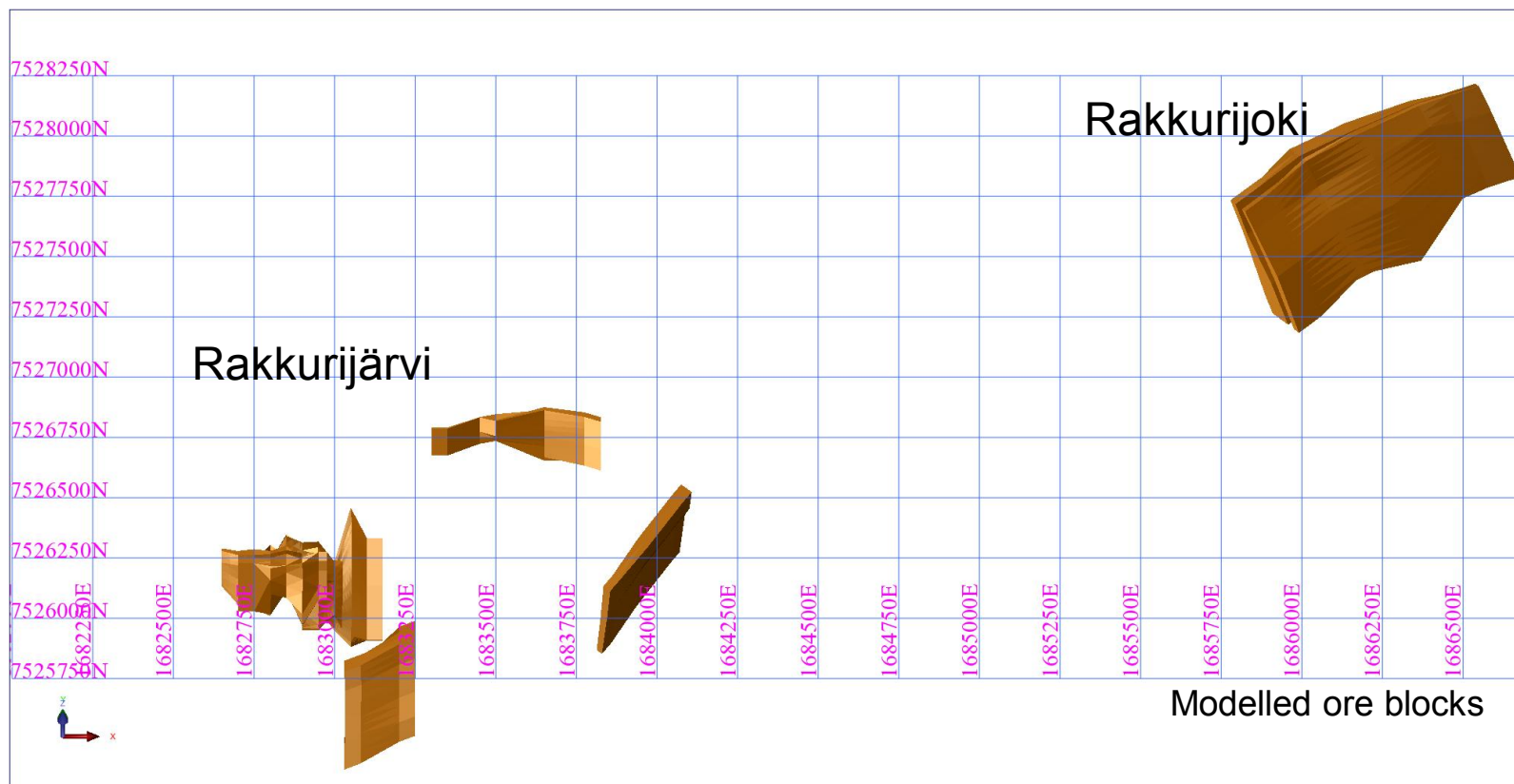
- Drilling expected to commence this week
- Detailed magnetic survey (blue rectangle) just completed.
- Twinning of one historical hole, 68702, totaling 220m.
- Seven exploration holes planned to test open positions within the anomaly package, totaling 1,400m.

TOTAL: 1,620m planned



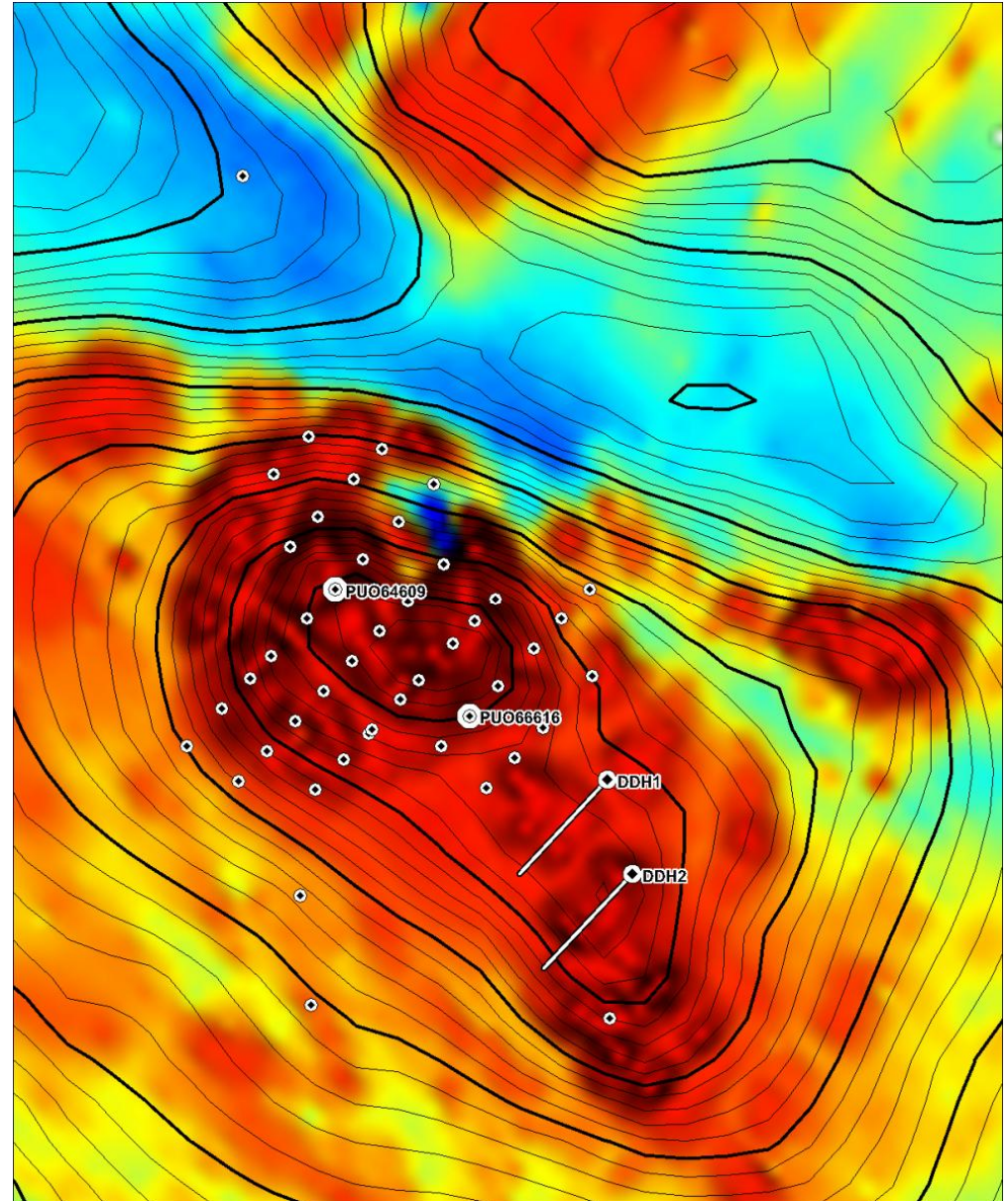
- Acquired from Anglo American & Rio Tinto in November 2010
- Located 3km from 2Bt Kiruna iron mine
- 1 twin hole totalling 370m at Rakkurijoki
- 2 exploration drill holes totalling 725m at Rakkurijoki
- 8 exploration drill holes totalling 1,850m at Rakkurijärvi

TOTAL: 2,945m planned



- Twinning of two historical holes, 64609 & 66616, totalling 500m
- Two holes proposed to test SE extension, totalling 500m
- A few more holes to close open positions within the anomaly package will be decided upon when modelling of geophysics is completed

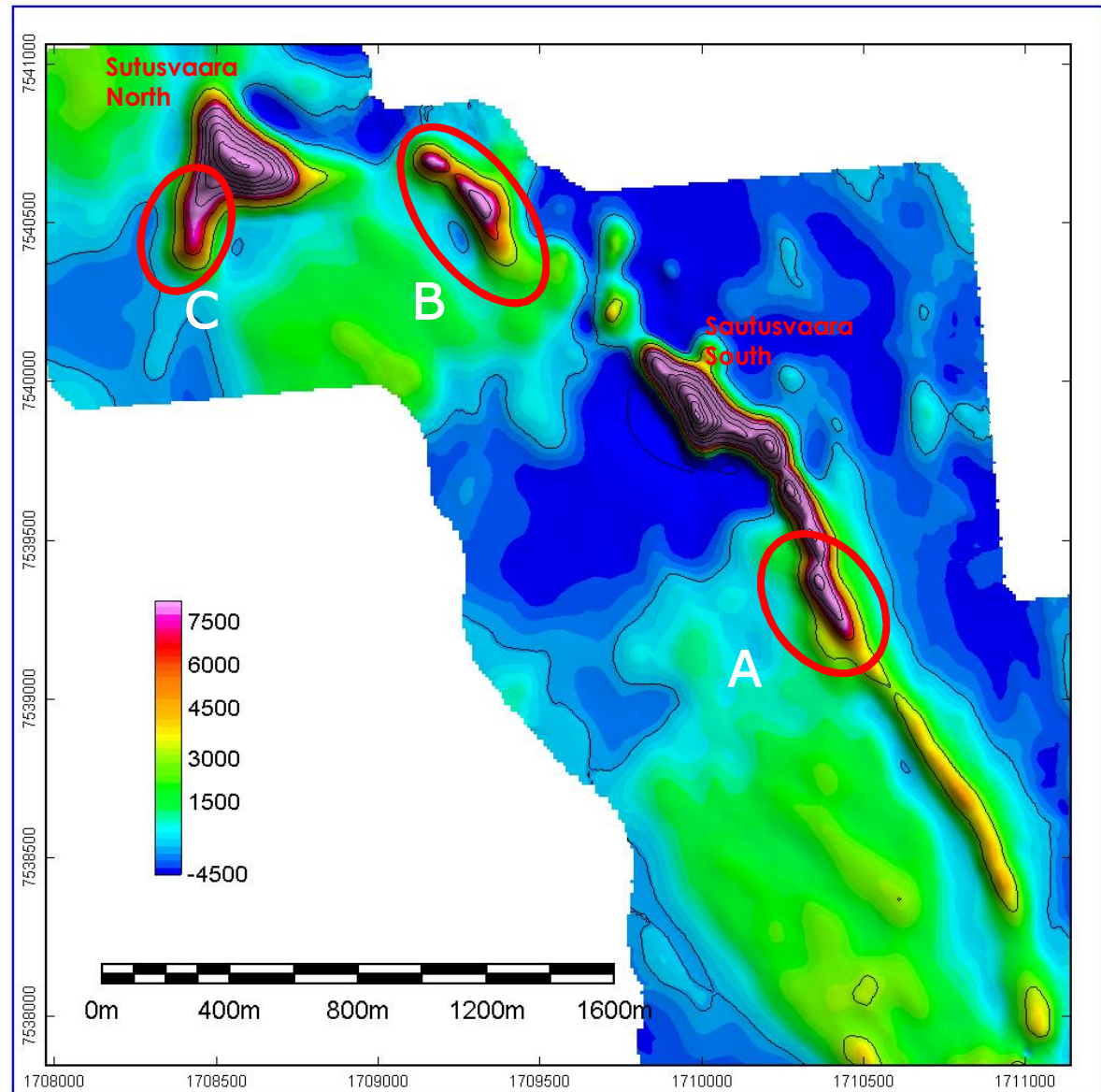
TOTAL: 1,000m planned





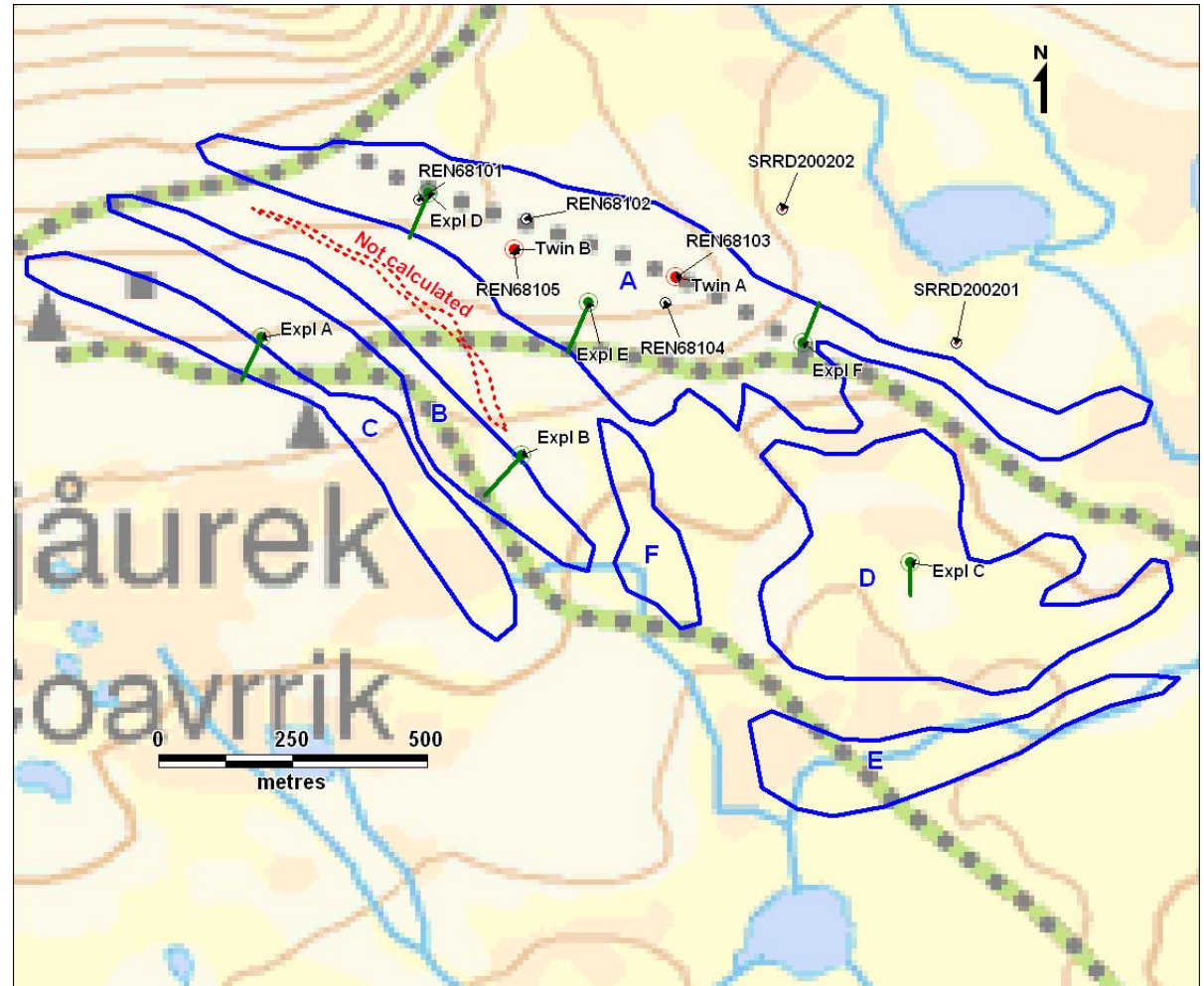
- Twinning of two historical holes, 66724 & 66704 totalling 650 m
- Three exploration holes:
  - One hole to test depth extent of geophysical anomaly A, estimated depth 250 to 300 m
  - One hole to test the depth extent of geophysical anomaly B, estimated depth 300 m
  - One or two holes to test the geophysical anomaly C, totalling 300 m.

TOTAL: 1,550m planned

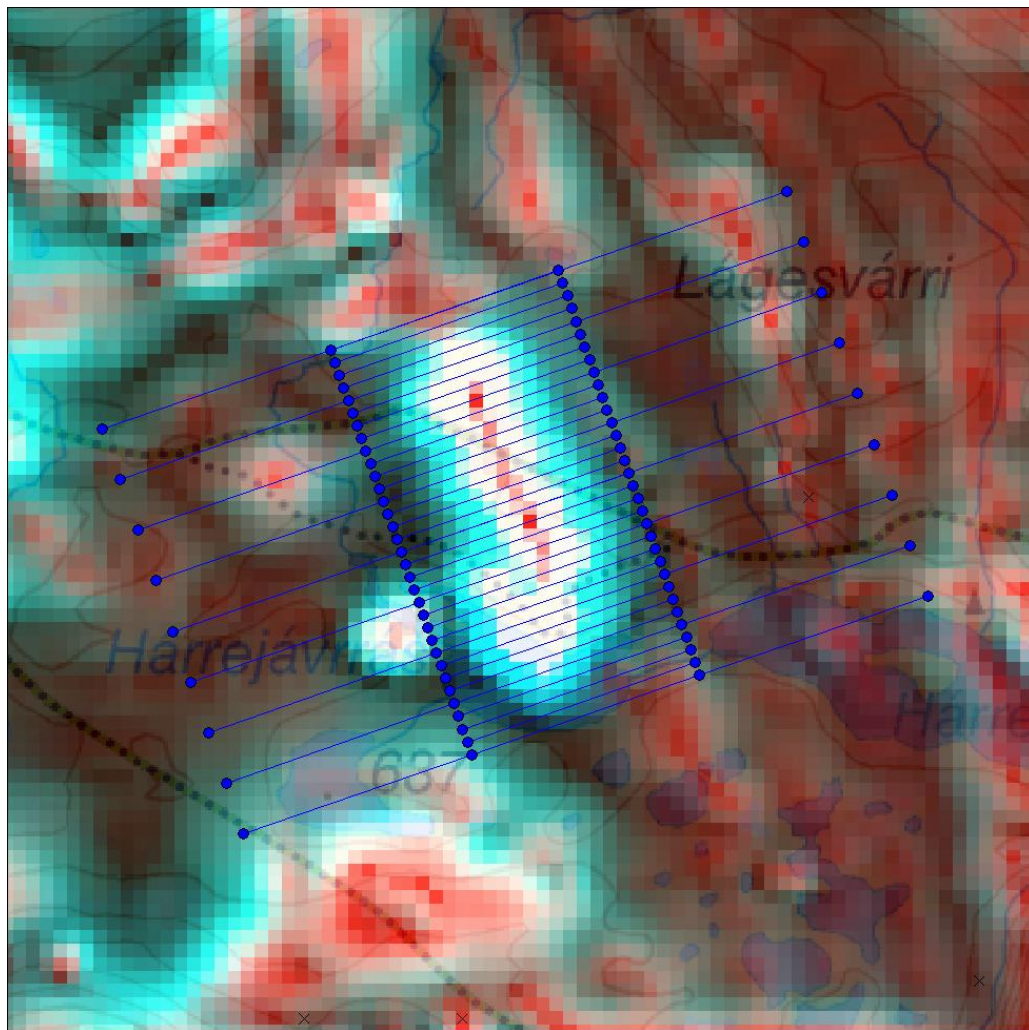


- Twinning of two historical holes, 68103 and 68105, totalling 405m
- Six exploration holes:
  - Expl A, 175m
  - Expl B, 210m
  - Expl C, 120m
  - Expl D, 180m
  - Expl E, 200m
  - Expl F, 165m

TOTAL: 1,455m planned



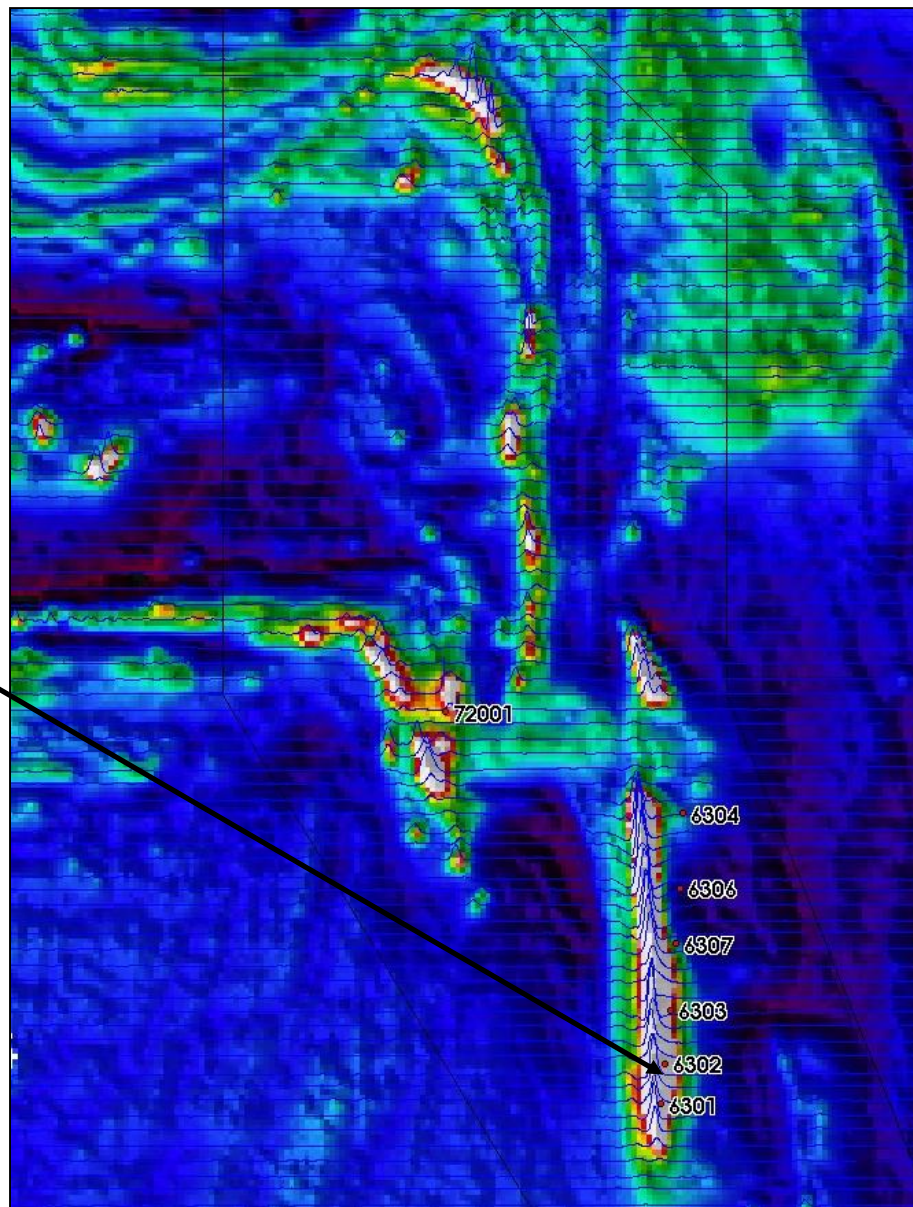
- A ground geophysical survey (blue lines) recently completed covering the inferred mineralised unit.
- Design of a drilling program (approximately 1,000m) after the ground geophysical survey is completed.



Airborne magnetic imagery

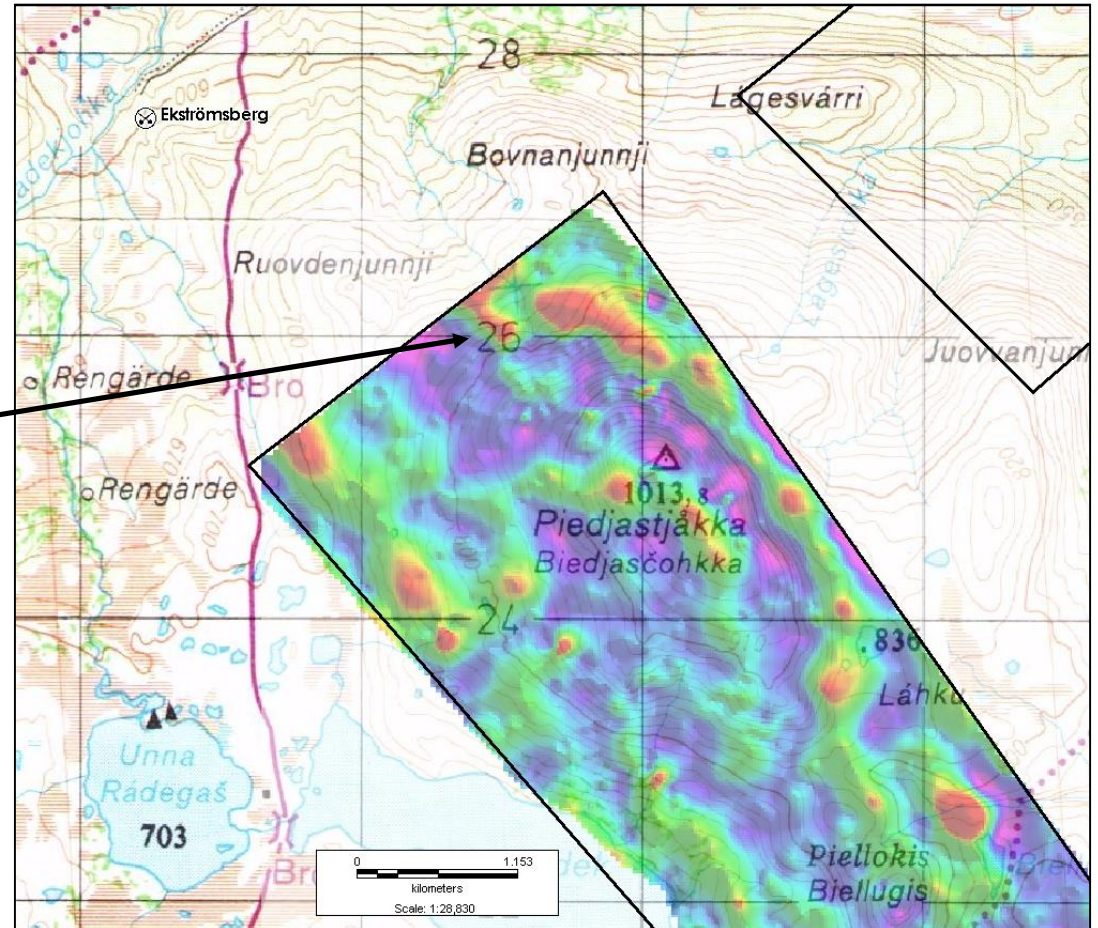
## PALJASJÄRVI (application only)

- Airborne EM / Mag data acquired through Anglo transaction
- Processing of magnetic data is currently underway along with validation of historic drill hole data.
- Main anomaly 3,500m long
- Historic drilling intercepted good widths and grades of iron mineralisation



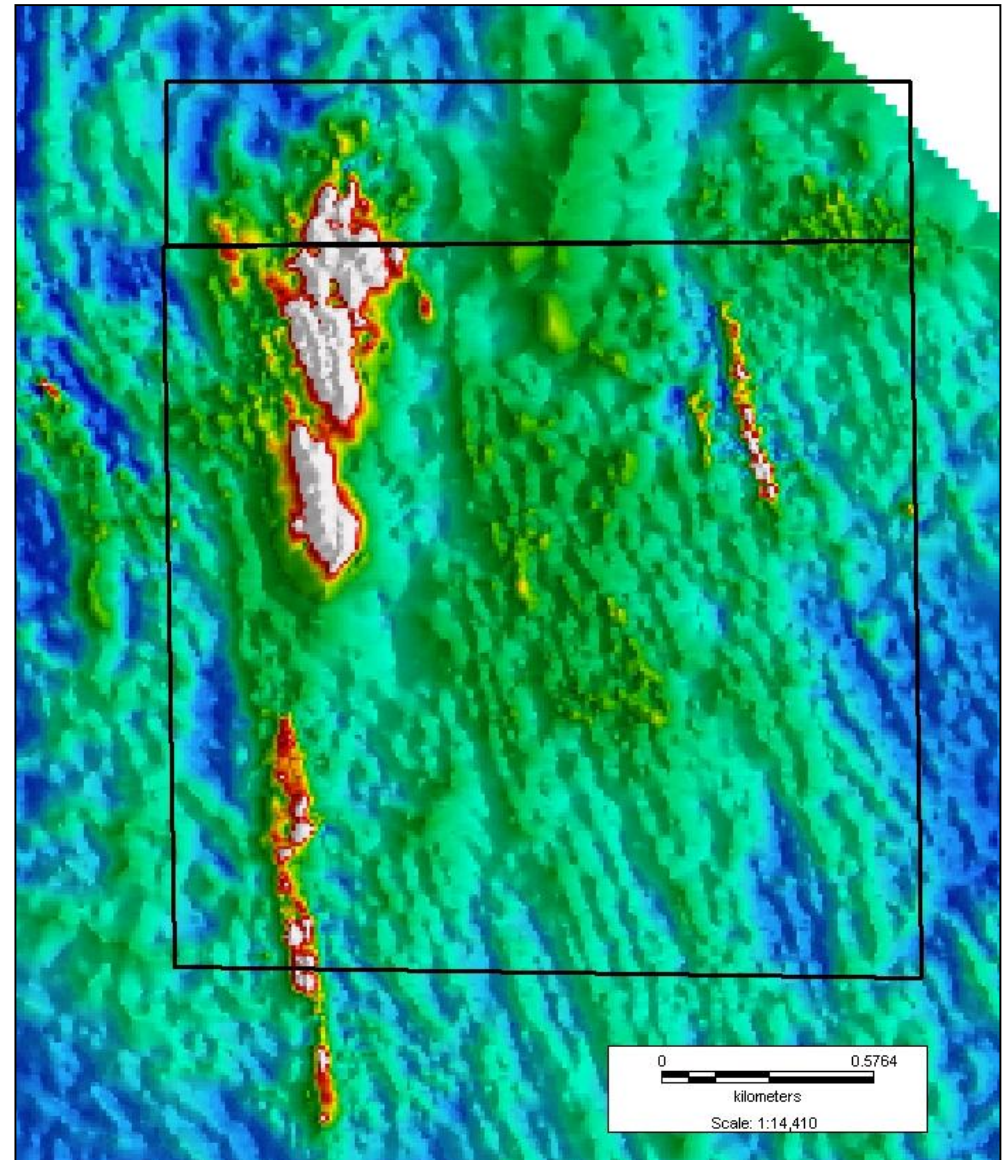
## SKUOKIMJOKK / PIEDJASTJÄKKO

- Processing of detailed ground gravity and magnetic data is currently underway with drill hole planning to follow.
- Significant gravity anomaly in north east of permit.



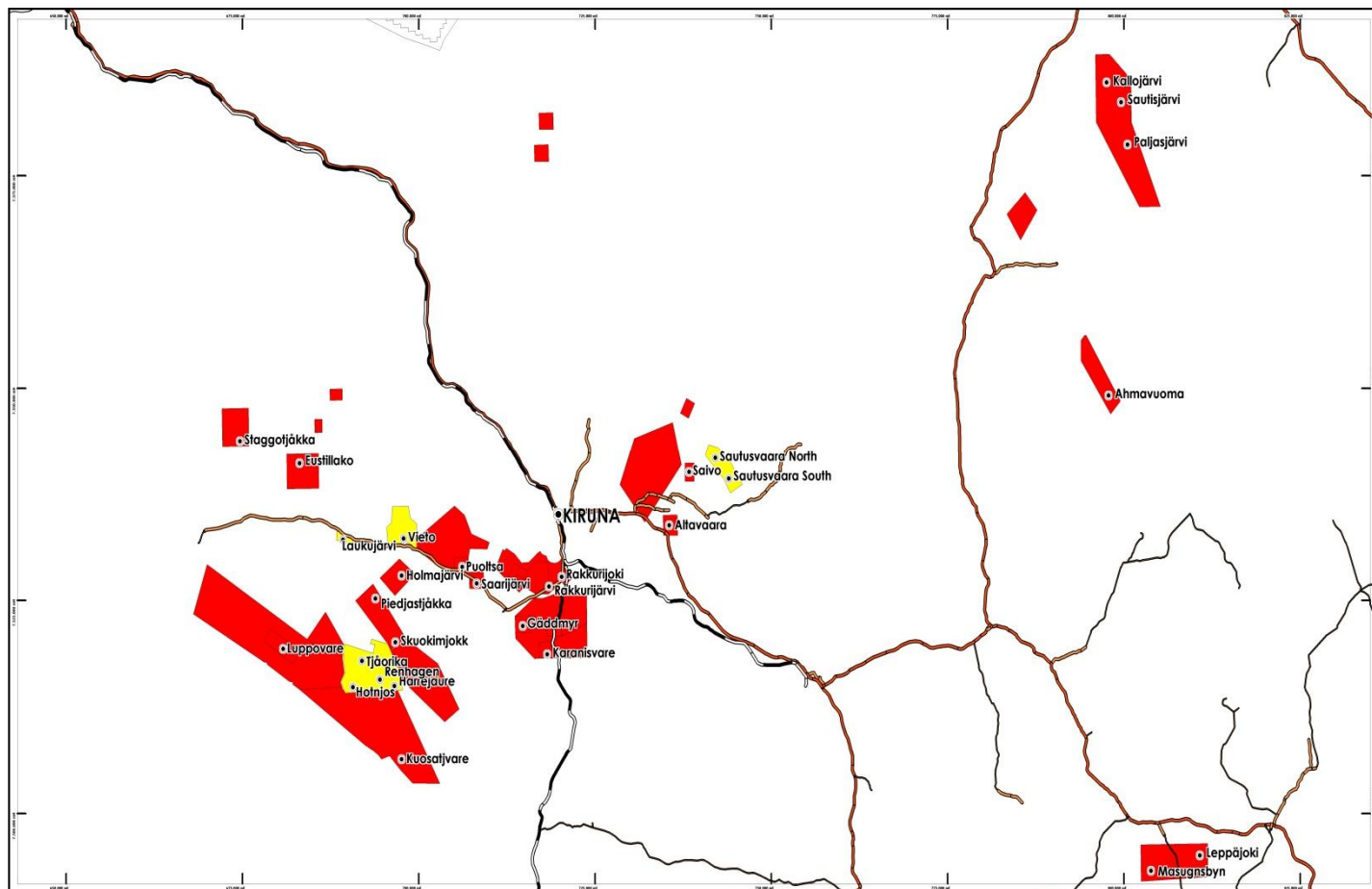
## ALTAVAARA

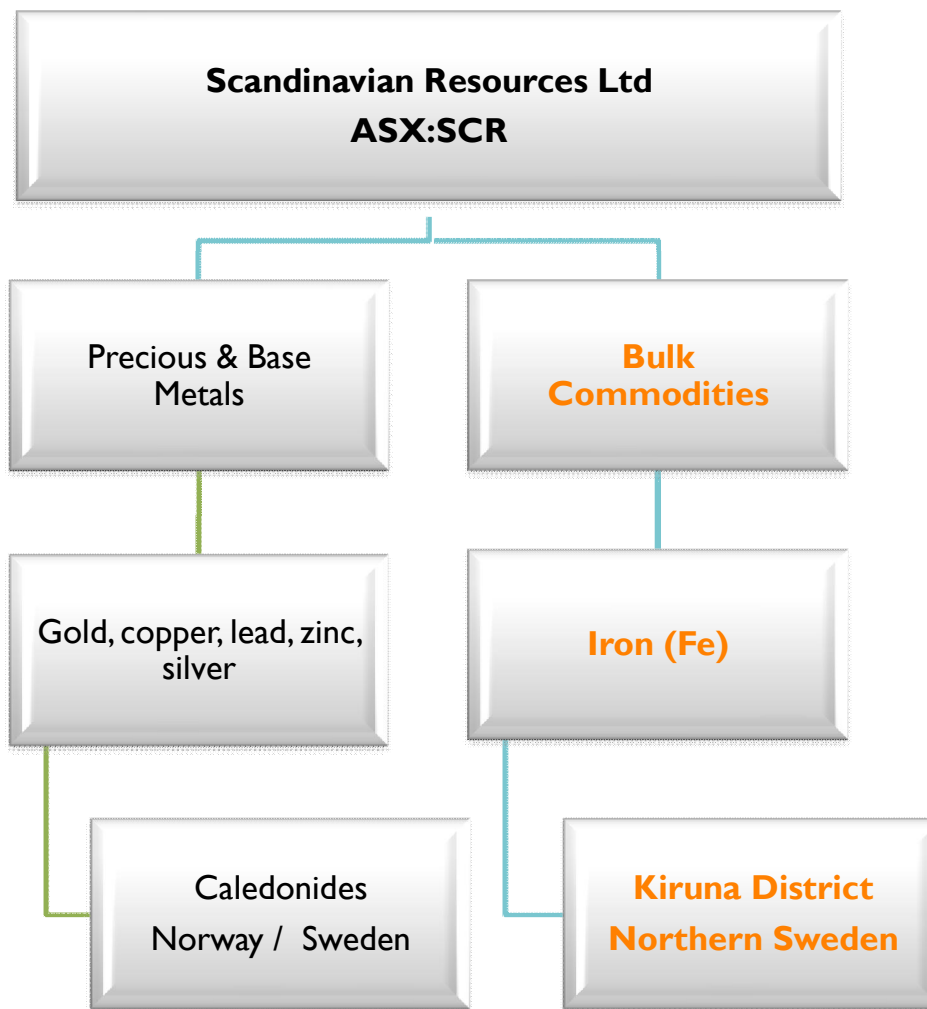
- Processing of excellent historic ground based magnetic data and validation of historic drill hole data currently underway prior to drill planning.



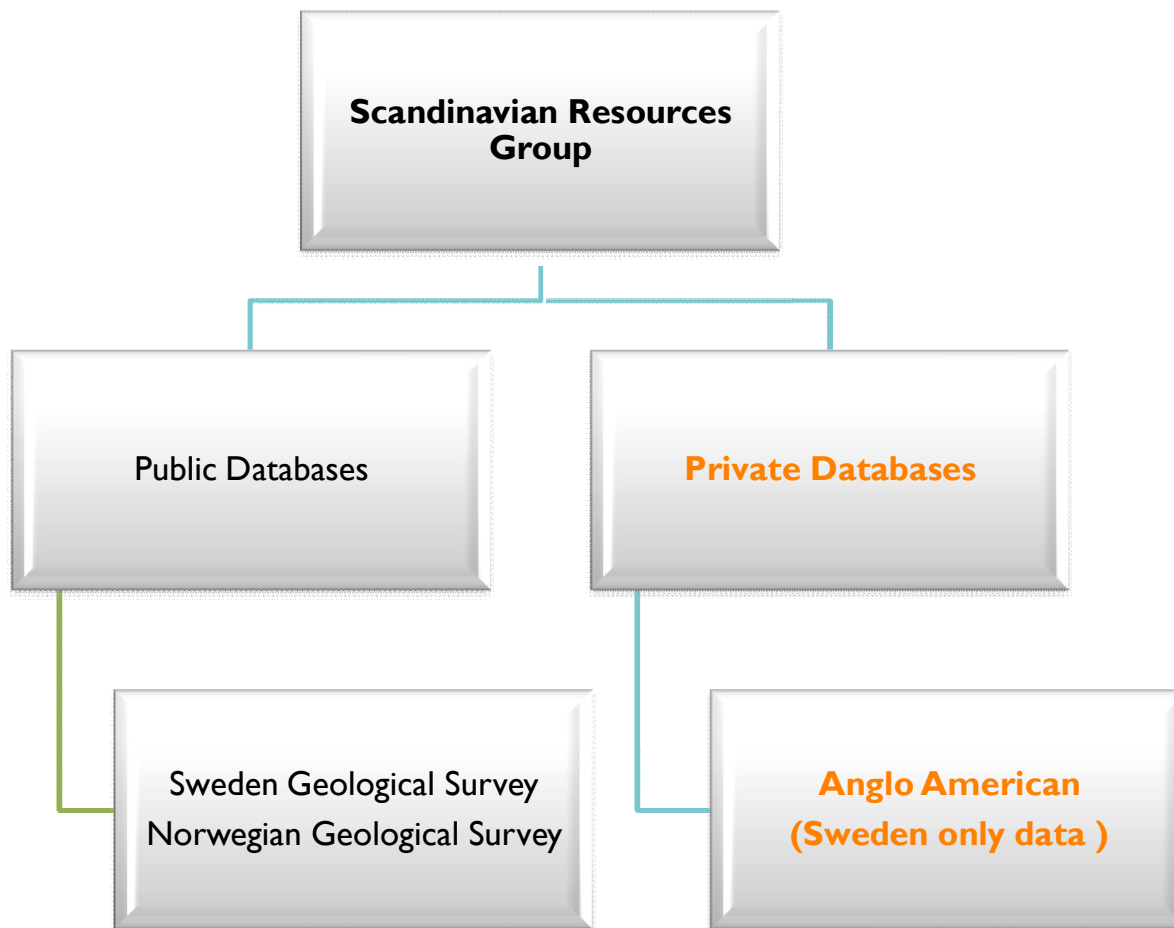
## CONCEPTUAL TARGETS

Currently more than 15 additional iron targets are being worked up including Gäddmyr, Tjåurek, Hotnjos, Kuosatjvare, Luppovare, Holmajärvi Södra, four targets at Kebnekaise, Lannavaara, three targets at Saivo and Masugnsbyn.









ASX Codes	SCR & SCRO
Total Ordinary Shares	63.35 M
Market Cap @ \$0.46	\$29.14 M
Cash plus Convertible Loan	\$5.1 M
Loan drawn down	\$1.0m
Total Options (\$0.20 - \$0.75)	67.97 M
33.8M, 25 cent ASX listed options expire 31 October 2011	\$8.45M

Major Shareholders	%
Equity & Royalty Investments Ltd	32.01
OM Holdings Ltd	19.57
LLB Fund Services AG	9.76
Top 20 Shareholders	78.8



Share price chart since IPO in April 2010  
Market capitalisation (undiluted) \$29.14m

[www.kirunairon.com](http://www.kirunairon.com)

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The information in this report that relates to exploration results is based on information compiled by Mrs Amanda Arrowsmith, Exploration Manager, who is a Member of the Australian Institute of Mining and Metallurgy. Mrs Arrowsmith is a full time employee of Scandinavian Resources Ltd. Mrs Arrowsmith has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined by the 2004 edition of the “Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mrs Arrowsmith consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.