



**KIRUNAIRON** AB

THE NEW KIRUNA IRON COMPANY

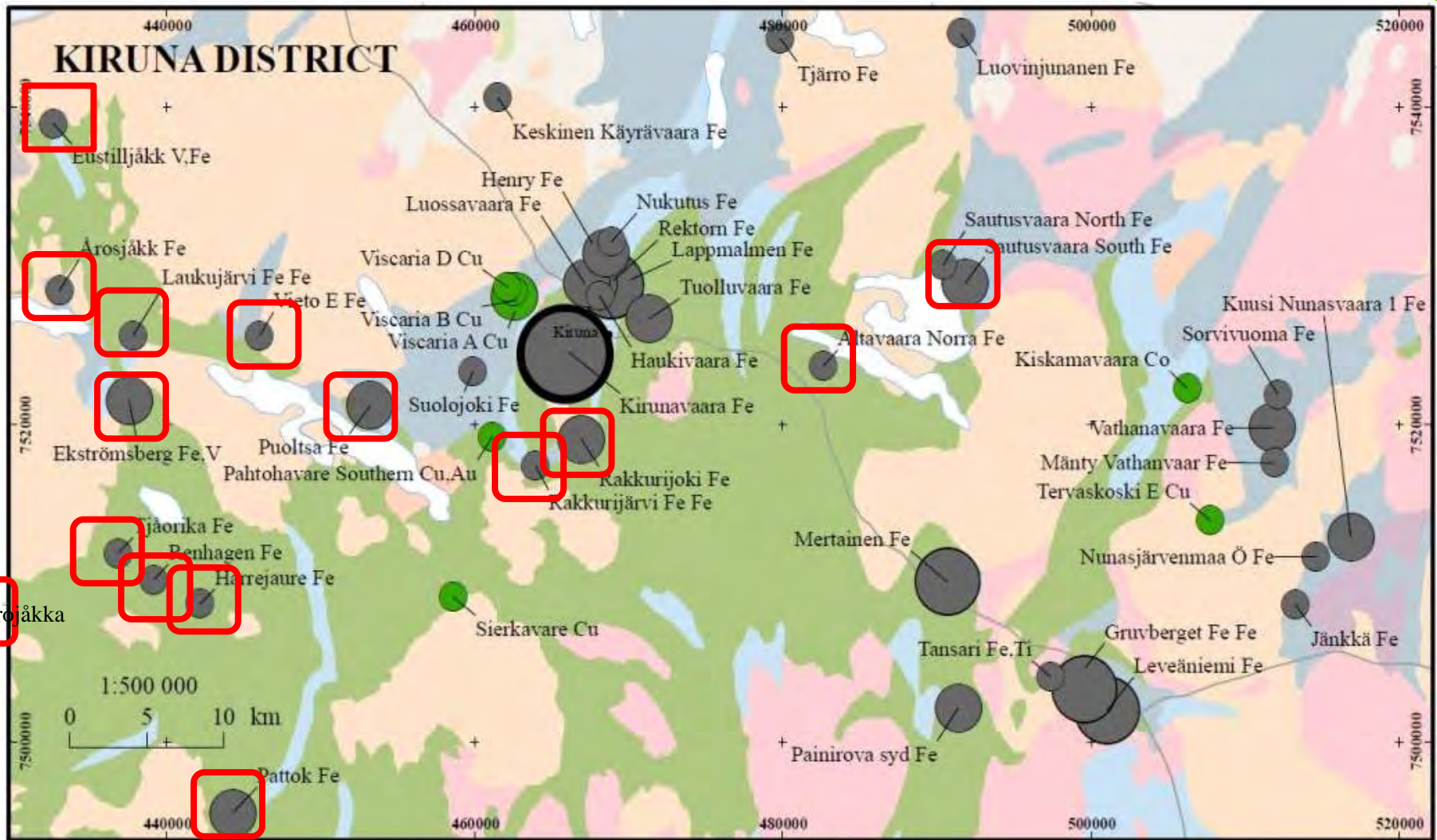
# Updated Exploration Presentation

7 September 2011

- To aggregate, through joint venture, acquisition, exploration and application, a significant land position/holding in the Kiruna Iron District.
- To date achieved through aggressive historical data review and drilling.



# Kiruna Iron Presence in Kiruna District

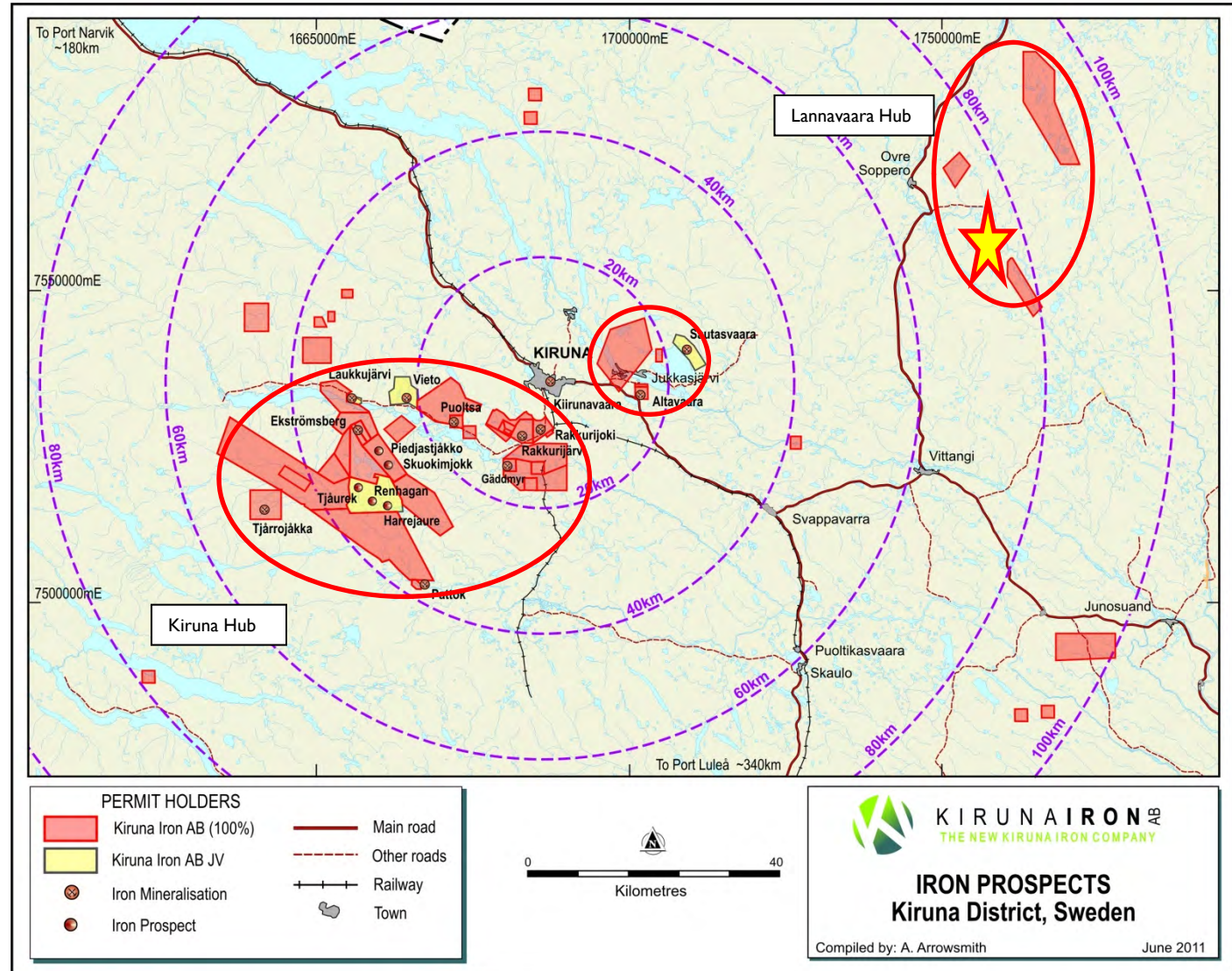


 Kiruna Iron



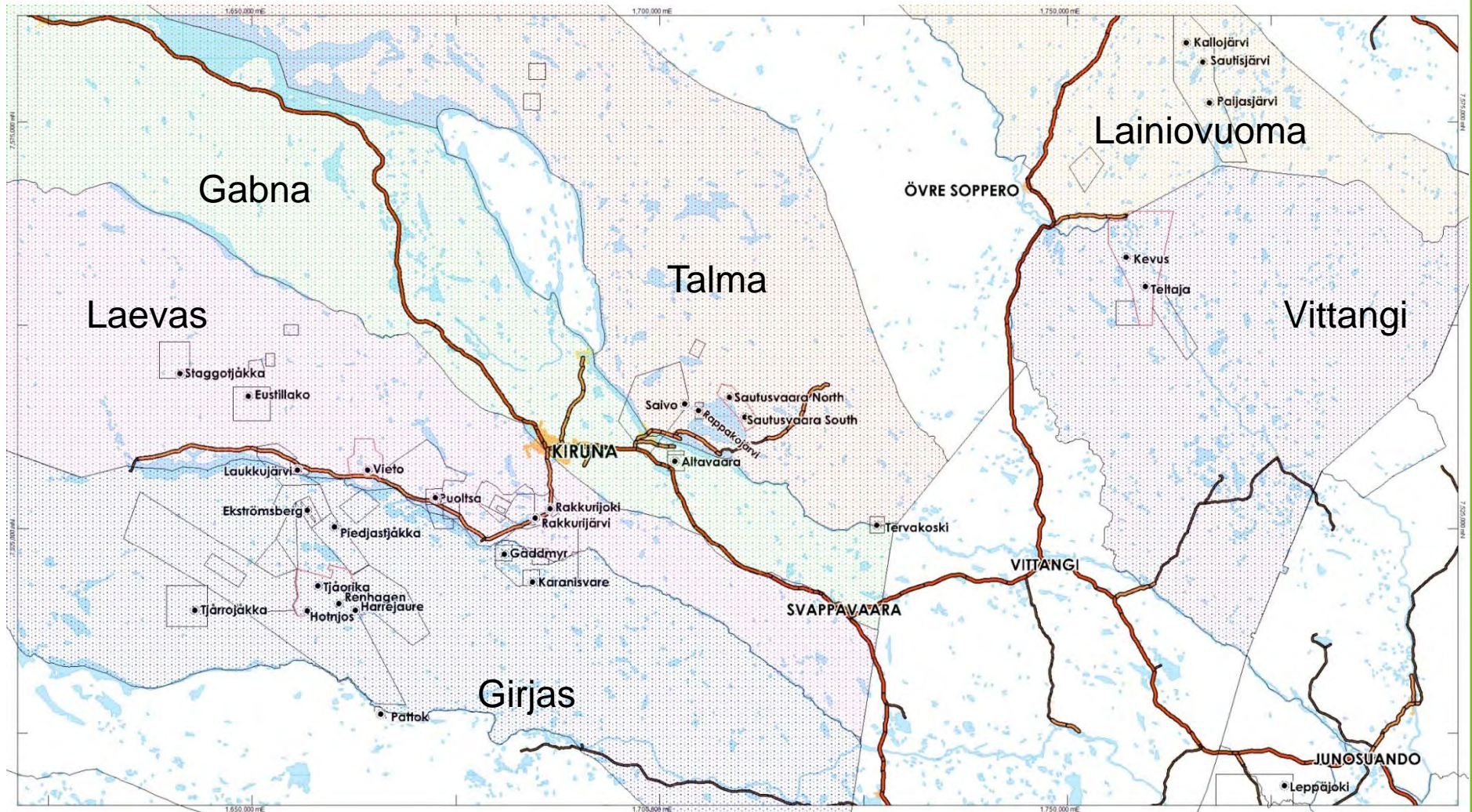
# Kiruna District - Underexplored

- Kiruna Iron AB is the largest permit owner in the Kiruna District.
- Kiruna Iron Project comprised of two hubs: Kiruna Hub and Lannavaara Hub
- Minimal exploration completed in Kiruna since SGU completed the Iron Ore Inventory Program (IOIP) in 1960/70's – diamond drilling and geophysical surveys.
- Location of key deposits to roads, rail, power, pelletising plants and services.



Location map showing Kiruna Iron AB's Kiruna Hub and Lannavaara Hub in the red circles; the yellow star shows the location of Boliden Mineral AB's Lannavaara Permits



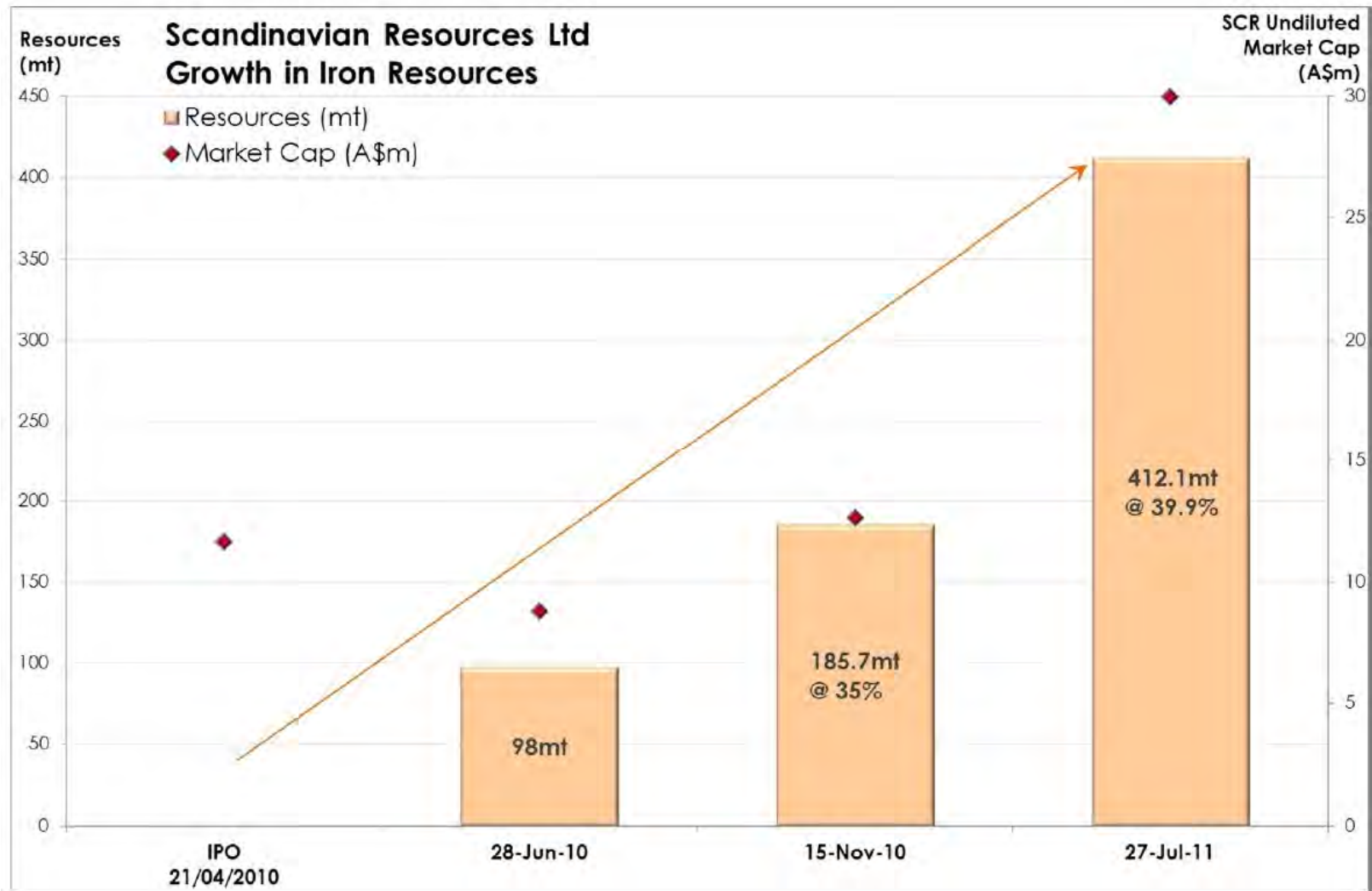


- April 2010 - zero tonnes of iron.
- Winter diamond drilling at the Kiruna Iron Project started late January 2011.
- Phase I- Exploration Drilling completed for **14,202.75m (60 holes)** in August 2011.
- The winter drilling was designed to:
  - Validate historical drill intercepts with twin holes
  - Expand known deposit parameters
  - Confirm iron mineralisation in previously untested anomalies
  - Satisfy Joint Venture commitments.
  - Satisfy permit renewal requirements.
- Ground based geophysics (magnetics and gravity) were completed at both Laukkujärvi and Harrejaure.
- July 29 2011- **412.1Mt @ 39.9% Fe** (refer page 9 for JORC Resource Table).

Nb: This report should be read in conjunction with the metallurgical summary released to ASX on 5 September 2011 which suggests that it is possible to produce a high grade (+70% Fe) concentrate from the Kiruna Iron Project

Nb: Exploration has been completed with a view to assessing the potential of deposits to be mined using the open pit method





Refer page 9 for JORC Resource Table



JORC Compliant **Indicated** Mineral Resource Table\*

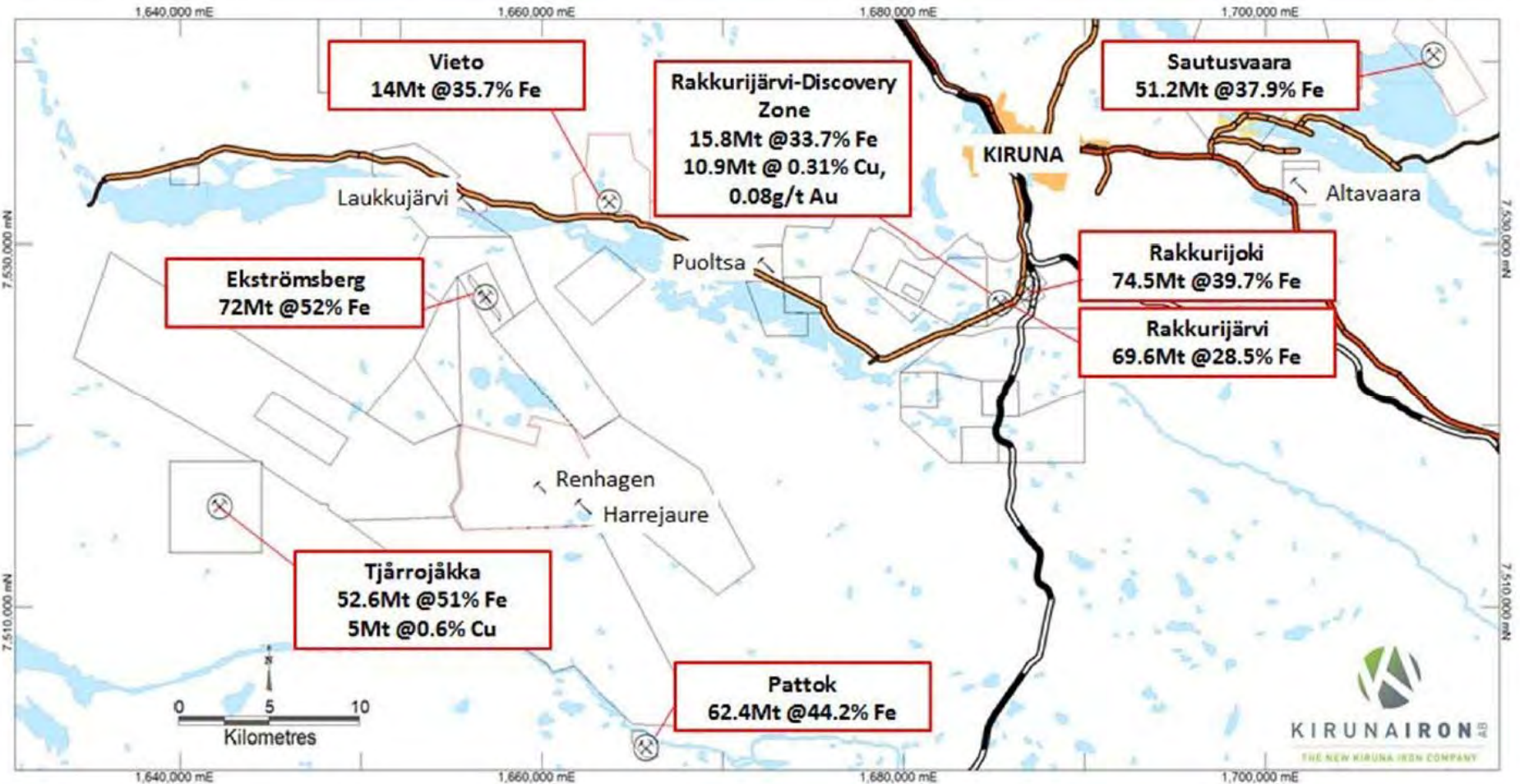
Prospect	Mt	Fe (%)	P (%)	S (%)
Sautusvaara South	32.0	37.4	0.06	1.63
Sautusvaara North	11.4	39.7	0.09	0.44
Ekströmsberg	30.4	52.0	Unavailable	Unavailable
<b>TOTAL</b>	<b>73.8</b>	<b>43.0</b>	-	-

JORC Compliant **Inferred** Mineral Resource Table\*

Prospect	Mt	Fe (%)	P (%)	S (%)
Rakkurijärvi	69.6	28.5	0.07	0.93
Rakkurijoki	74.5	39.7	0.28	0.89
Discovery Zone	10.9	38.7	0.05	0.95
Tributary Zone	4.9	28.6	0.05	1.08
Sautusvaara South	6.8	26.6	0.09	1.82
Sautusvaara North	1.0	44.8	0.05	0.46
Vieto	14.0	35.7	0.14	1.46
Ekströmsberg	41.6	52.0	Unavailable	Unavailable
Tjärrojåkka	52.6	51.0	Unavailable	Unavailable
Pattok	62.4	44.2	1.96	Unavailable
<b>TOTAL</b>	<b>338.3</b>	<b>39.0</b>	-	-

Total	Mt	Fe (%)
Indicated & Inferred	412.1	39.9

\*A cut-off grade of 20% Fe has been applied



Location plan for Kiruna Iron AB resources - Refer page 9 for JORC Resource Table

## JORC Compliant Exploration Targets Table

Prospect	Tonnage Range (Mt)	Grade Range (%Fe)
Åkosjegge	10-15	23-30
Altavaara	10-20	23-30
Harrejaure	10-20	40-45
Kevus	35-45	28-35
Laukkujärvi	4-8	30-35
Leppäjoki	5-8	35-45
Paljasjärvi	40-60	30-40
Puoltsa	30-40	33-36
Renhagen	20-30	30-35
Teltaja	39-47	40-48
Tjäorika	15-30	45-55
<b>TOTAL</b>	<b>218-323</b>	<b>32-39</b>

The JORC Exploration Targets have been subjected to diamond drill testing, ground geophysics and interpretation by the Geological Survey of Sweden reviewed by Mr Thomas Lindholm, of GeoVista AB. The potential quantity and grade of the exploration targets is conceptual in nature, there has been insufficient interpretation to define a JORC Mineral Resource and it is and it is uncertain if further interpretation will result in the determination of a JORC Mineral Resource.



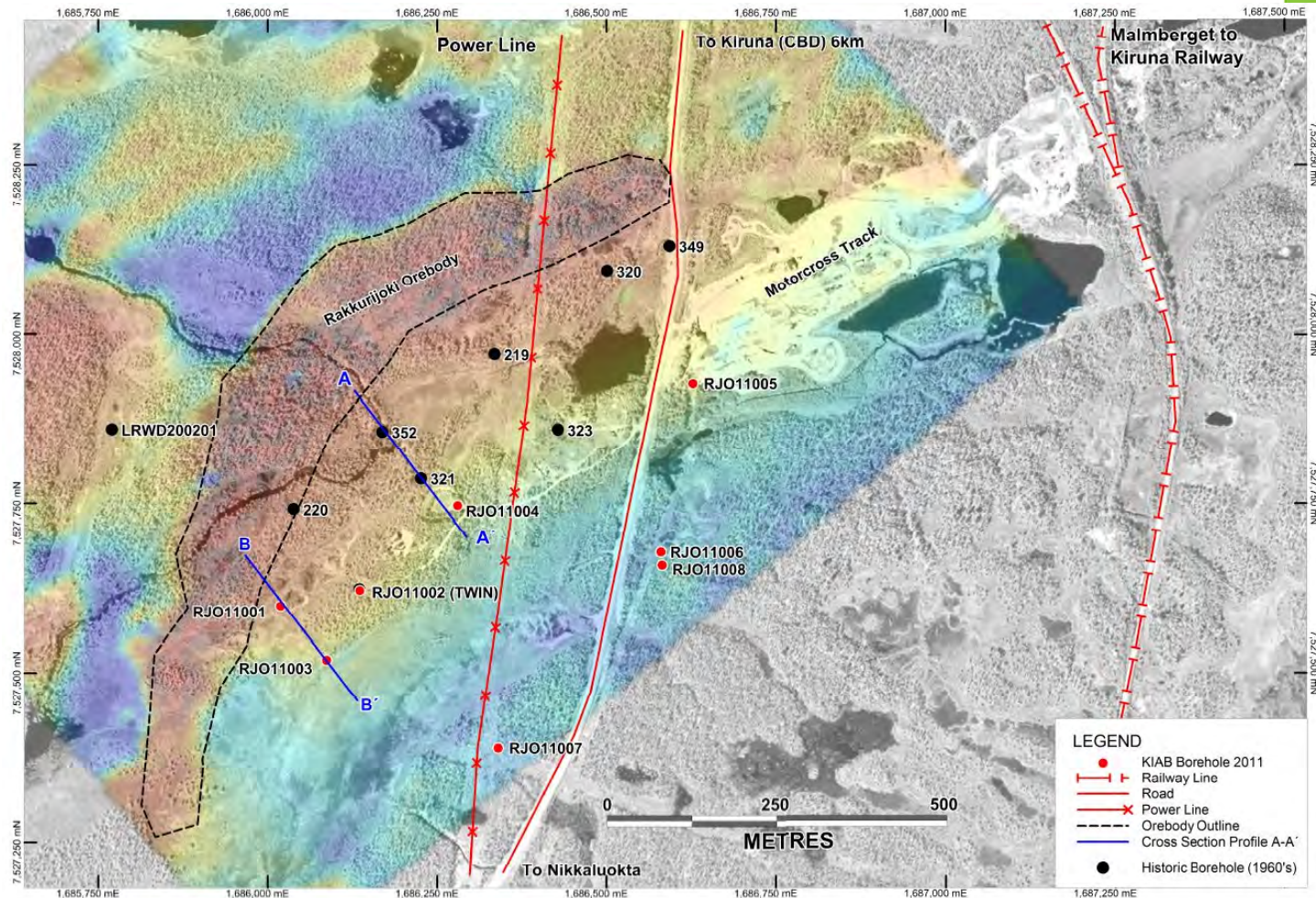
- One twin hole and seven exploration holes completed.

Twin hole RJO11002 returned **25m @ 51% Fe** from 213m, **17m @ 47% Fe** from 301m and **39m @ 37% Fe** from 327m.

- Exploration hole RJO11001 returned **23m @ 43% Fe** from 88m and **45m @ 36% Fe** from 121m.

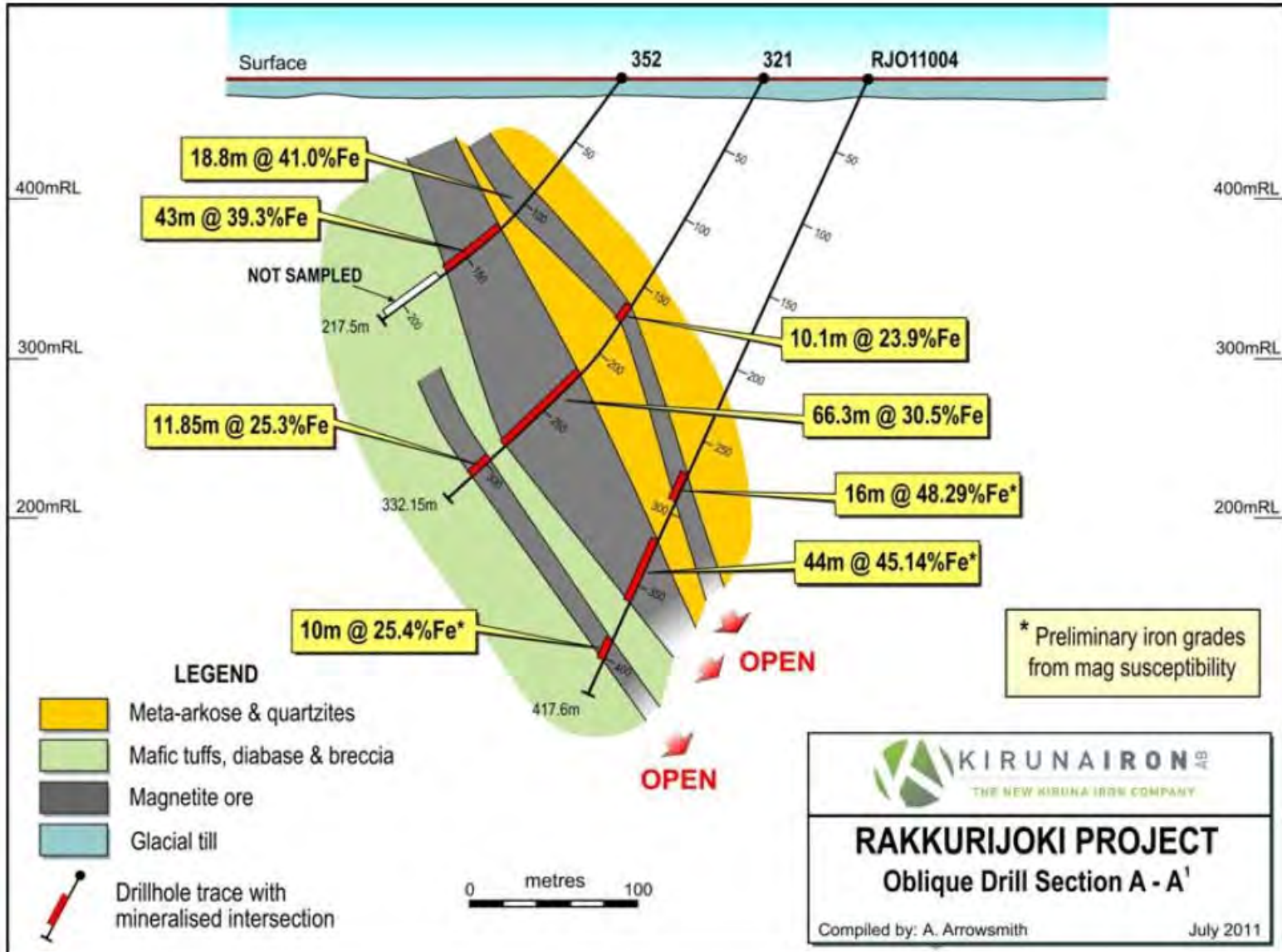
- Exploration hole RJO11003 returned **46m @ 31% Fe** from 266m.

- Mineralisation currently open at a depth of >400m

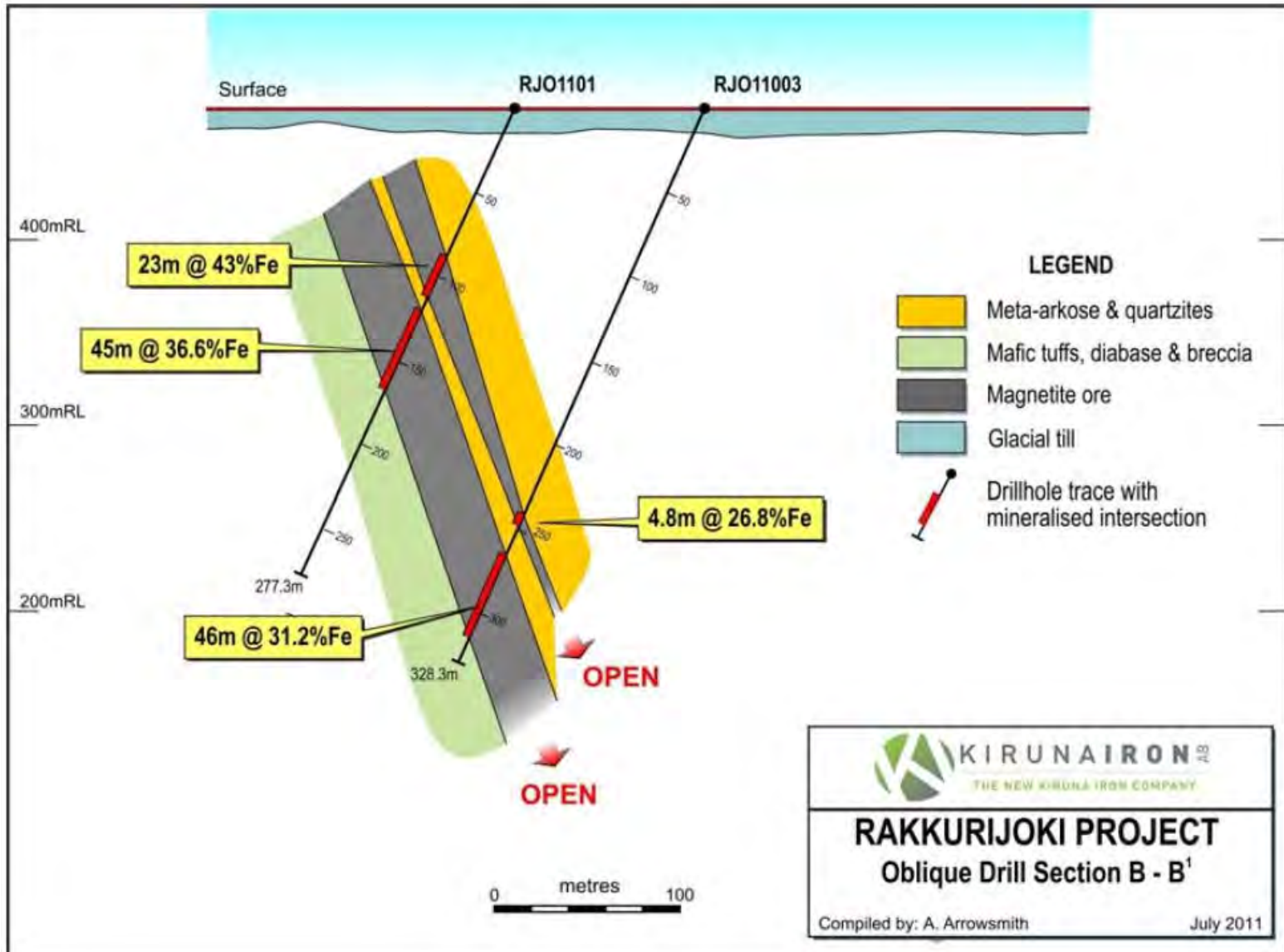


**Rakkurijoki - 74.5Mt @ 39.7% Fe, 0.28% P, 0.89% S**

Refer page 9 for JORC Resource Table

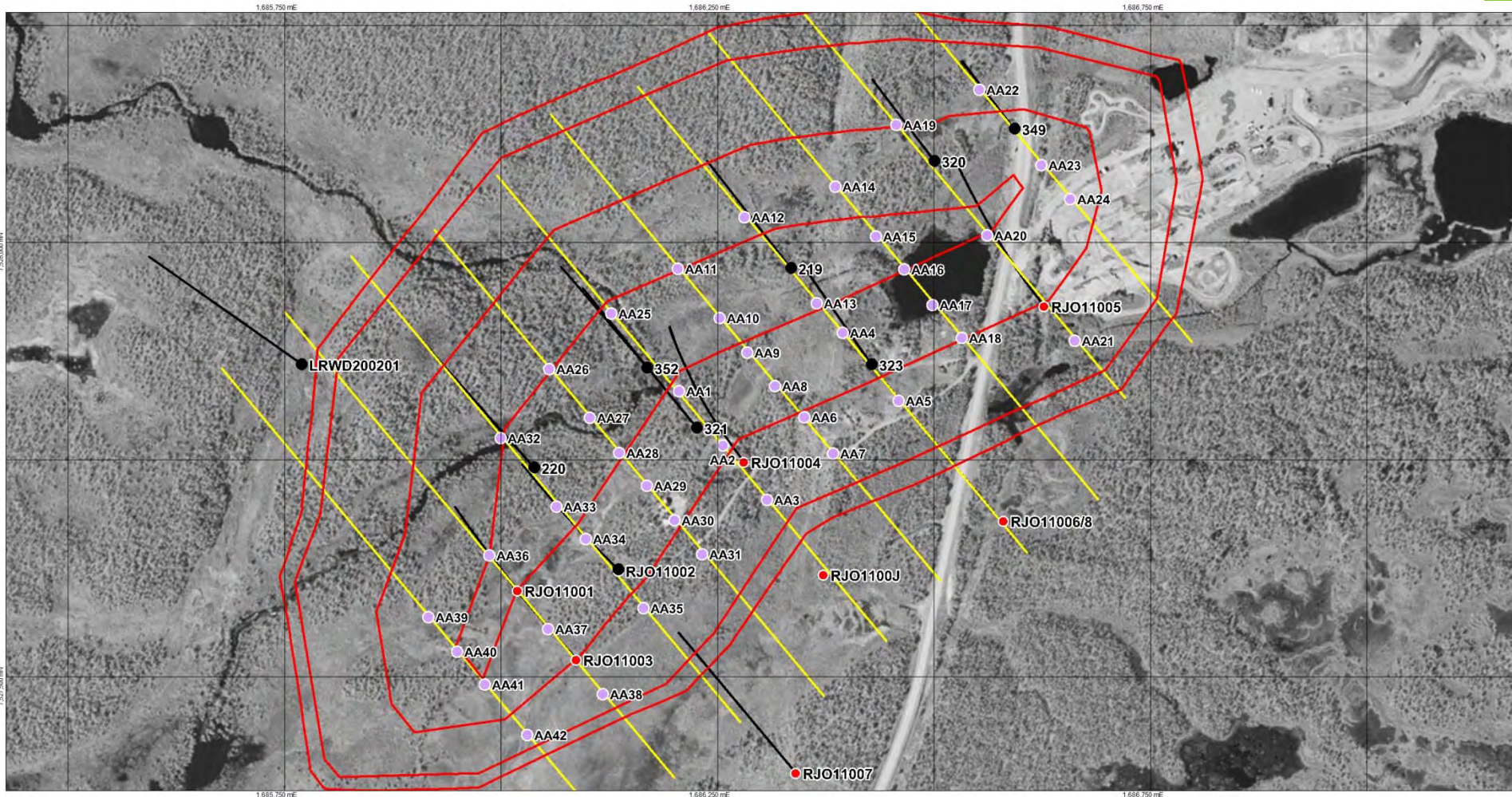








Phase 2-Infill Drilling at Rakkurijoki. 13,000m planned to take the current drill spacing from 200m to 100m, or from inferred to indicated. Drilling is currently underway with two rigs.



Planned infill drilling with conceptual pit shell



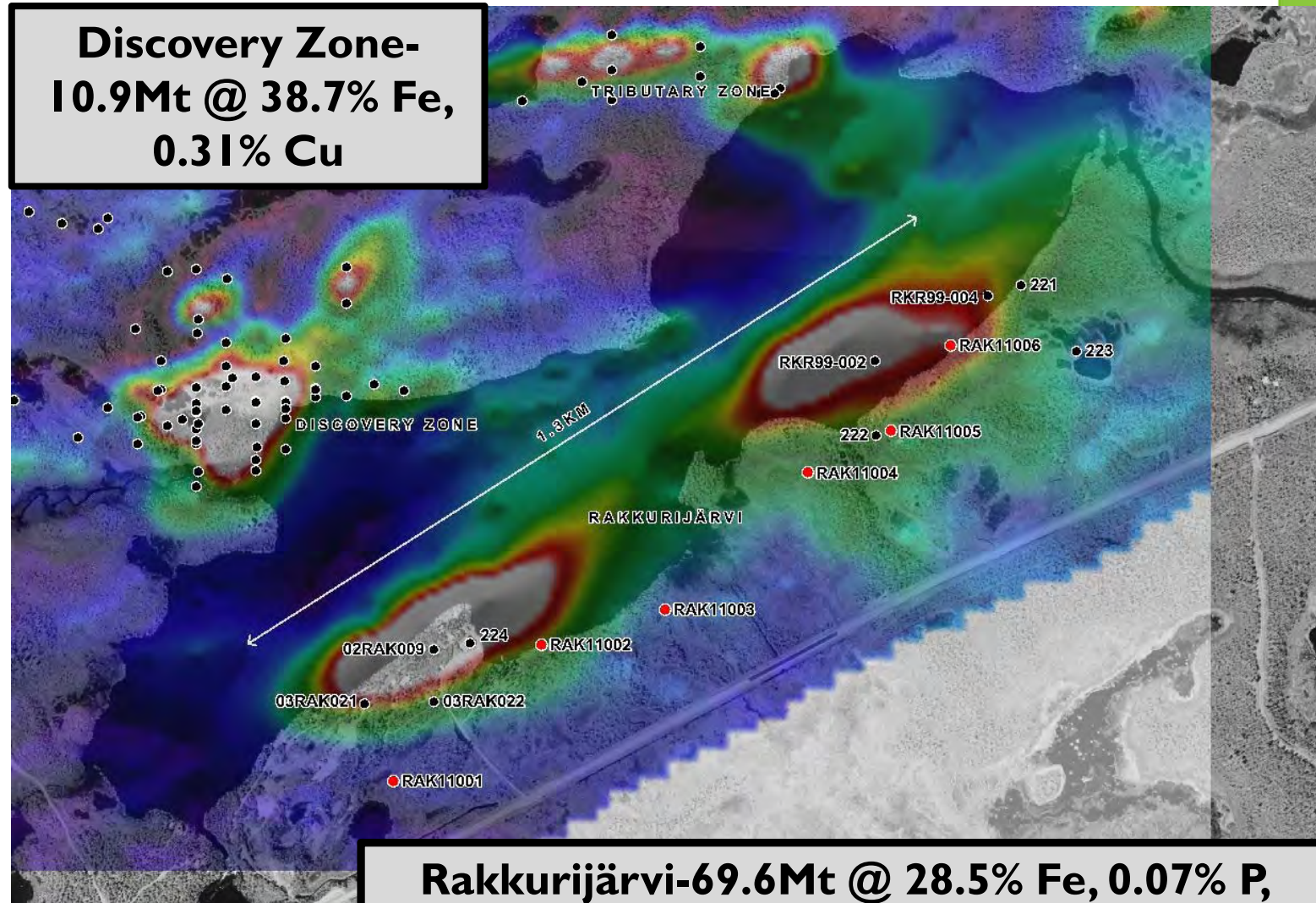
**Discovery Zone-  
10.9Mt @ 38.7% Fe,  
0.31% Cu**

- One twin hole and five exploration holes completed.

Twin hole RAK11005 returned **65m @ 21% Fe from 142m.**

- Exploration hole RAK11002 returned **138m @ 29% Fe from 84m.**

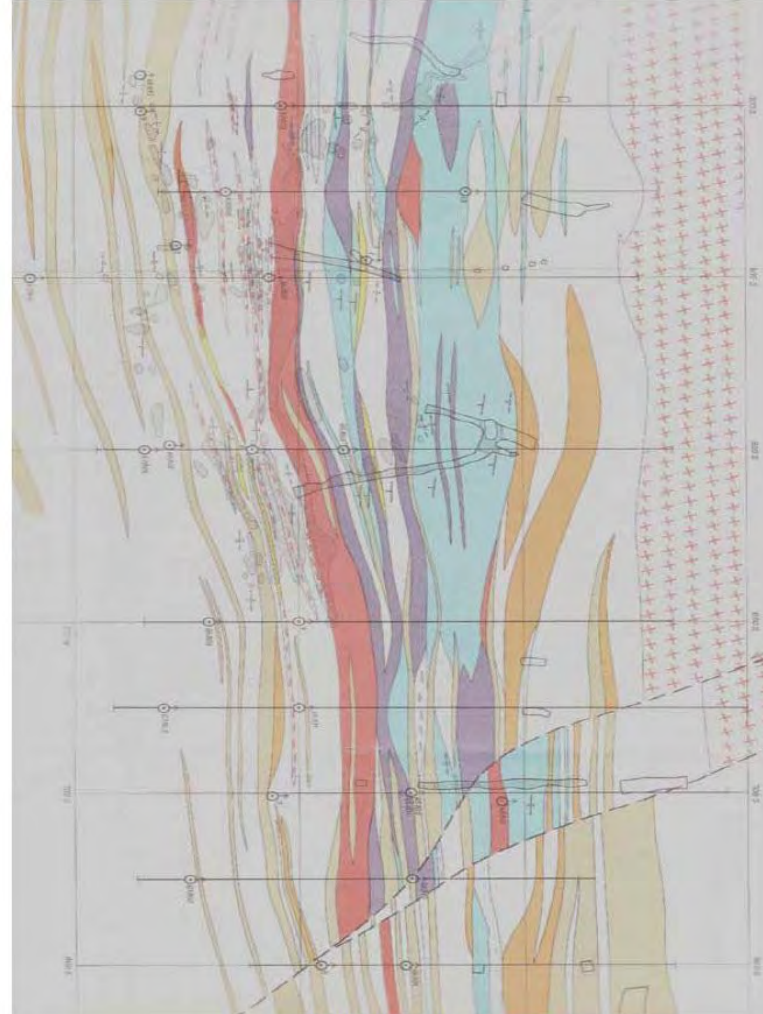
- Ground magnetic survey recently completed infilling the north-eastern magnetic anomaly.



**Rakkurijärvi-69.6Mt @ 28.5% Fe, 0.07% P,  
0.93% S, plus 4.9Mt @ 28.6% Fe from  
Tributary Zone**

Refer page 9 for JORC Resource Table

- Recently acquired deposit through Grängesberg Iron AB transaction.
- Significant amount of historic drilling already completed (50 diamond drill holes).
- Magnetite and hematite mineralisation which outcrops at surface.
- The mineralisation is approximately 1.5km in length and obtains a maximum width of 150m but decreases to approximately 30-40m towards the south where faulting has truncated the ore. The ore is comprised of long, thin orebodies of magnetite, martite and hematite which dip steeply to the SW.



(Width of image 900m)

**Ekströmsberg-72Mt @ 52% Fe**

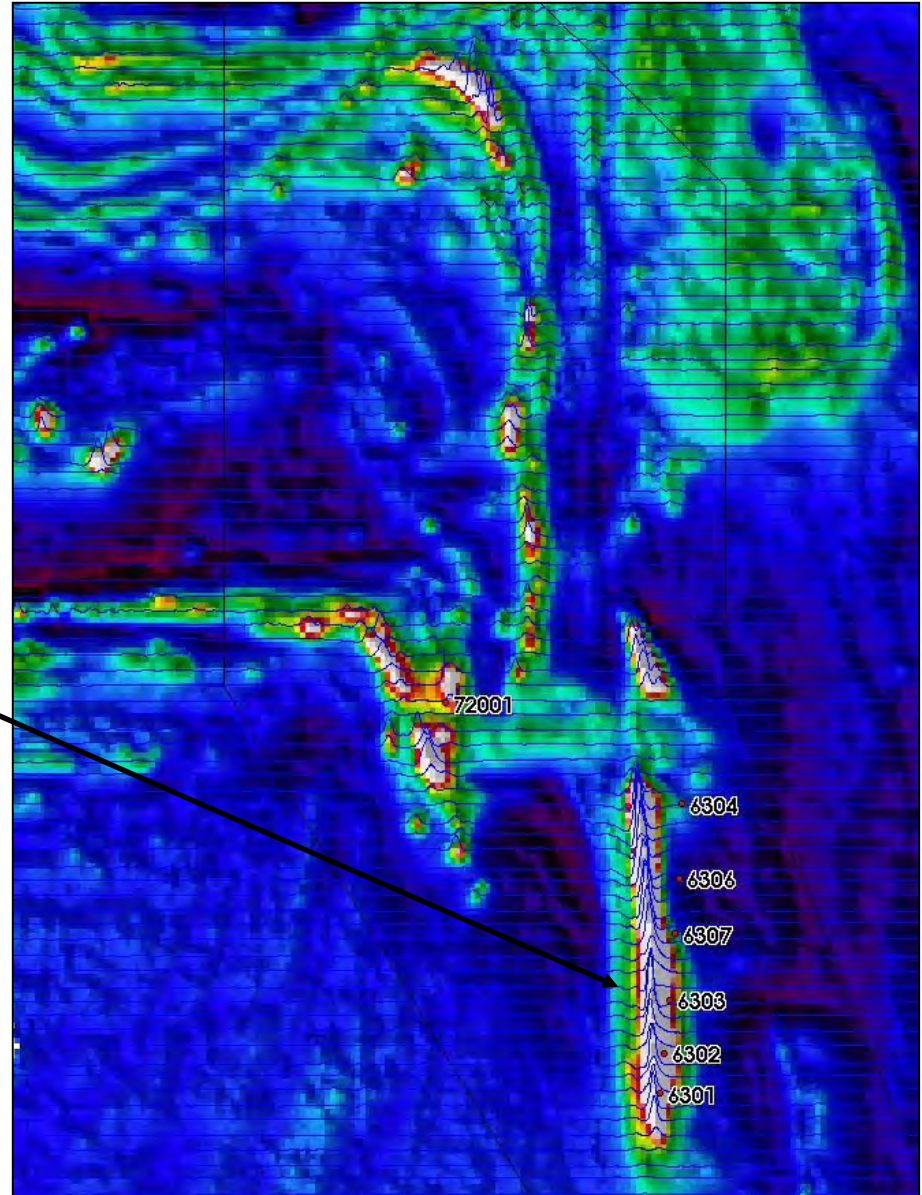
Refer page 9 for JORC Resource Table



- Airborne EM / Mag data acquired through Anglo transaction
- Processing and modelling of magnetic data has been completed.
- Follow-up ground magnetic and gravity surveys will commence in September 2011 ahead of drilling commencing in Winter 2011-2012.
- Main magnetic anomaly is 3,500m long

**Paljasjärvi Exploration  
Target -  
40-60Mt @ 30-40% Fe.**

Refer to page 11 for the JORC Exploration Target Table. The JORC Exploration Targets have been subjected to diamond drill testing, ground geophysics and interpretation by the Geological Survey of Sweden reviewed by Mr Thomas Lindholm, of GeoVista AB. The potential quantity and grade of the exploration targets is conceptual in nature, there has been insufficient interpretation to define a JORC Mineral Resource and it is and it is uncertain if further interpretation will result in the determination of a JORC Mineral Resource.

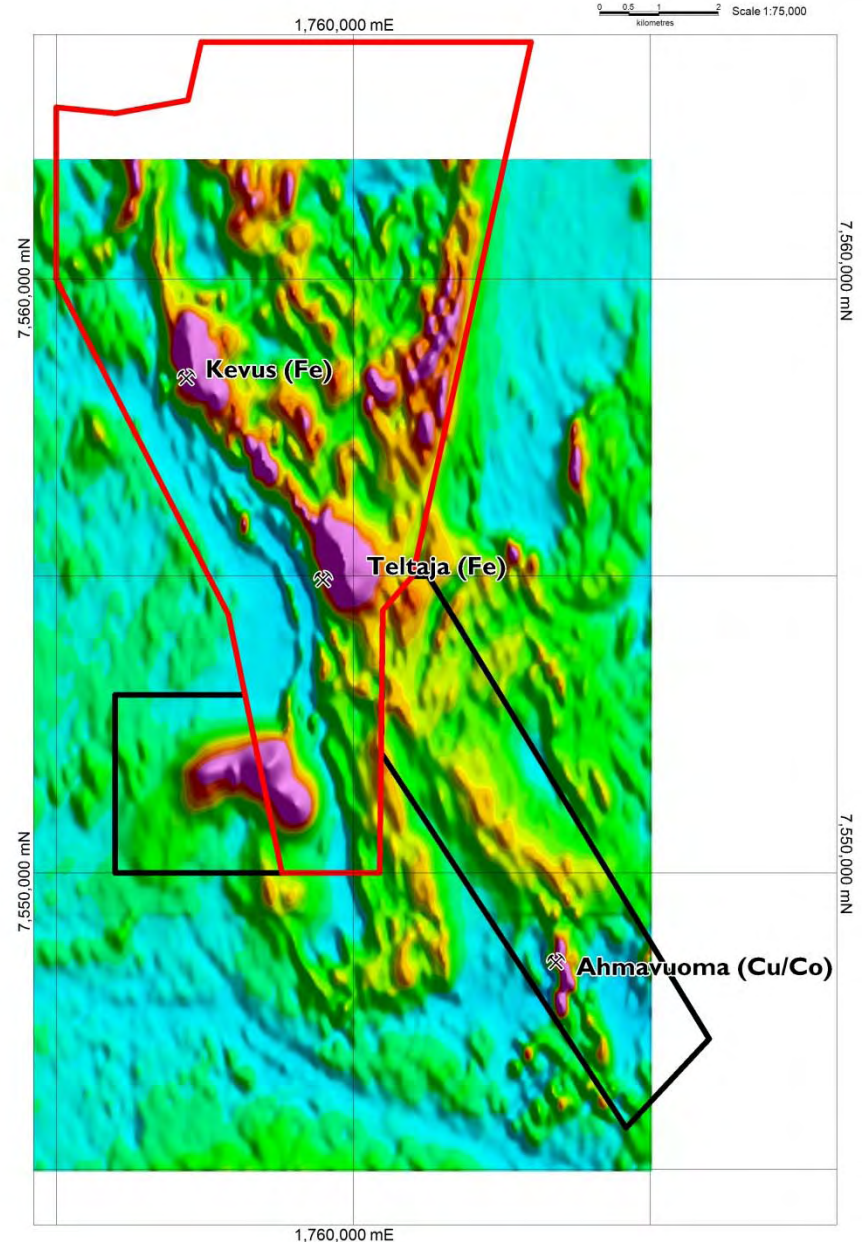


- New joint venture agreement with Boliden at Lannavaara.
- Airborne EM/Mag data acquired through Anglo American transaction.
- Processing and modelling of magnetic and geological data to be completed.

**Kevus Exploration Target -  
35-45Mt @ 28-35% Fe.**

**Teltaja Exploration Target -  
39-47Mt @ 40-48% Fe.**

Refer to page 11 for the JORC Exploration Target Table. The JORC Exploration Targets have been subjected to diamond drill testing, ground geophysics and interpretation by the Geological Survey of Sweden reviewed by Mr Thomas Lindholm, of GeoVista AB. The potential quantity and grade of the exploration targets is conceptual in nature, there has been insufficient interpretation to define a JORC Mineral Resource and it is and it is uncertain if further interpretation will result in the determination of a JORC Mineral Resource. Refer ASX release dated 6 September 2011 for terms of cooperation agreement with Boliden at Lannavaara.

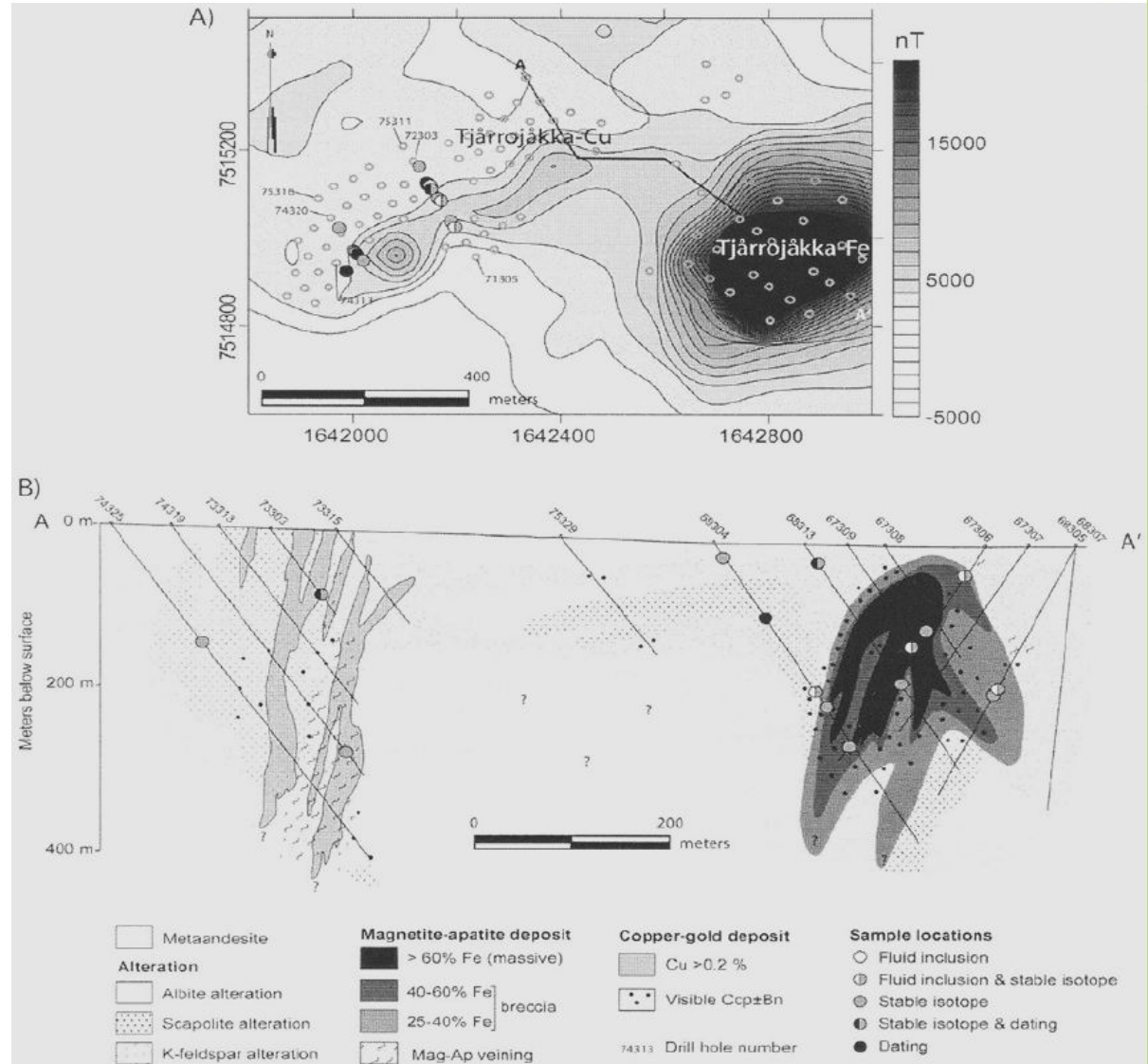




- Recently acquired deposit through Grängesberg Iron AB transaction.
- Processing and modelling of magnetic and geological data to be completed.

**Tjärrojäkka-  
52.6Mt @ 51% Fe and  
5Mt @ 0.6% Cu**

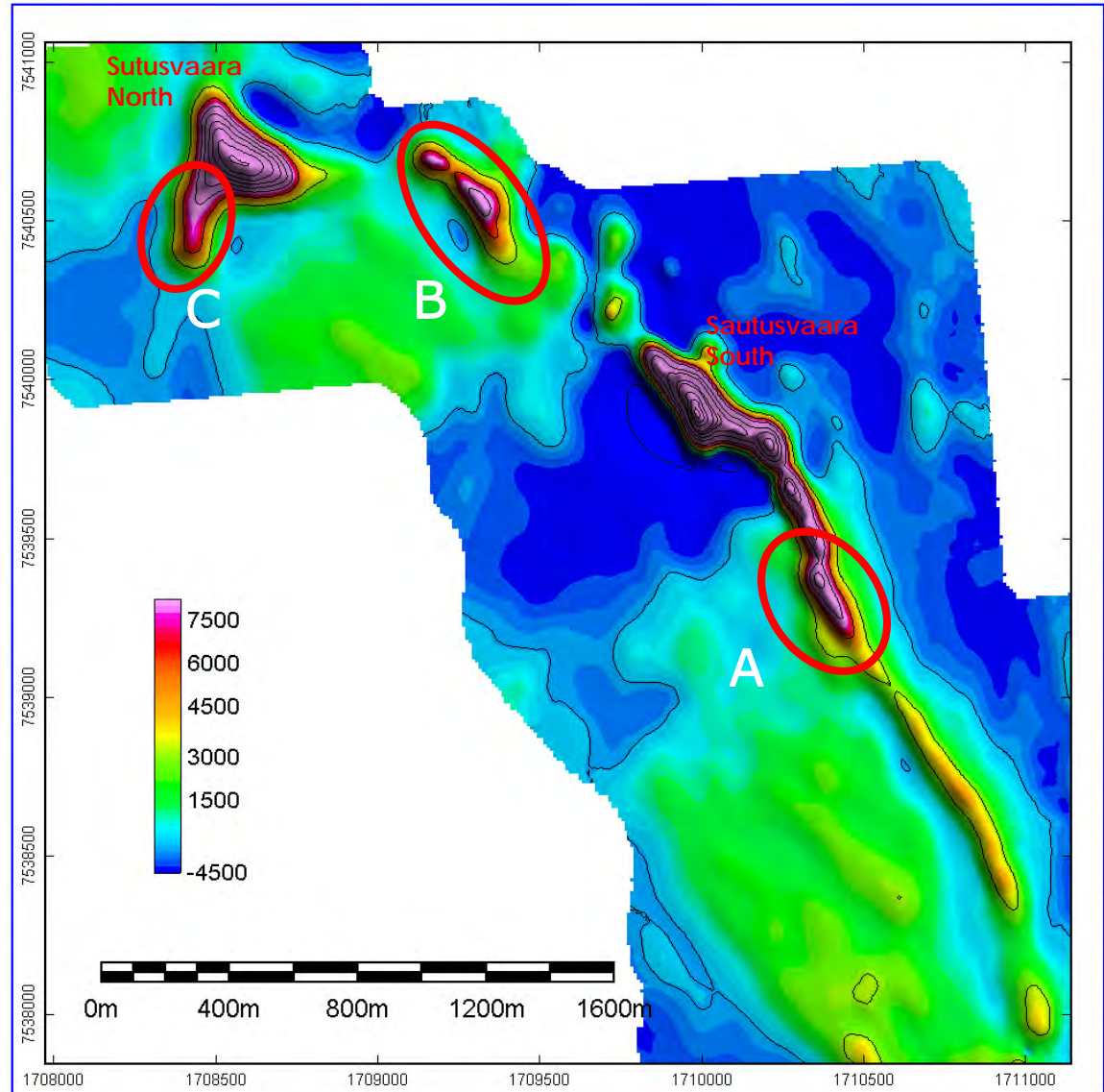
Refer page 9 for JORC Resource Table



- Two twin holes and three exploration holes completed.
- Twin hole SAU11002 returned **112m @42% Fe from 156m**
- Exploration hole SAU11003 returned **19m @ 28% Fe from 131m**
- Exploration hole SAU11004 returned **40m @ 39% Fe from 44m**

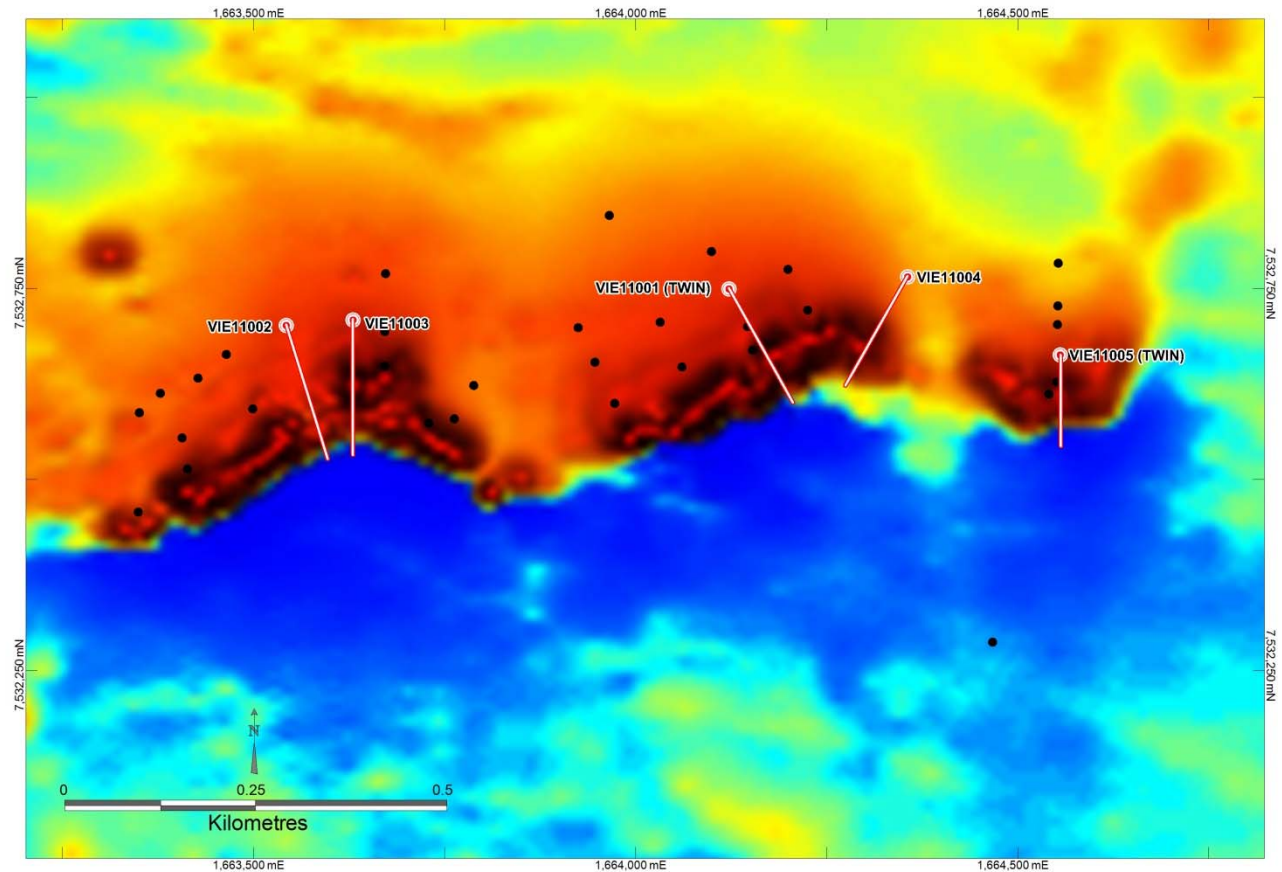
**Combined indicated and inferred resource of 51.5Mt @ 37.85% Fe**

Refer page 9 for JORC Resource Table





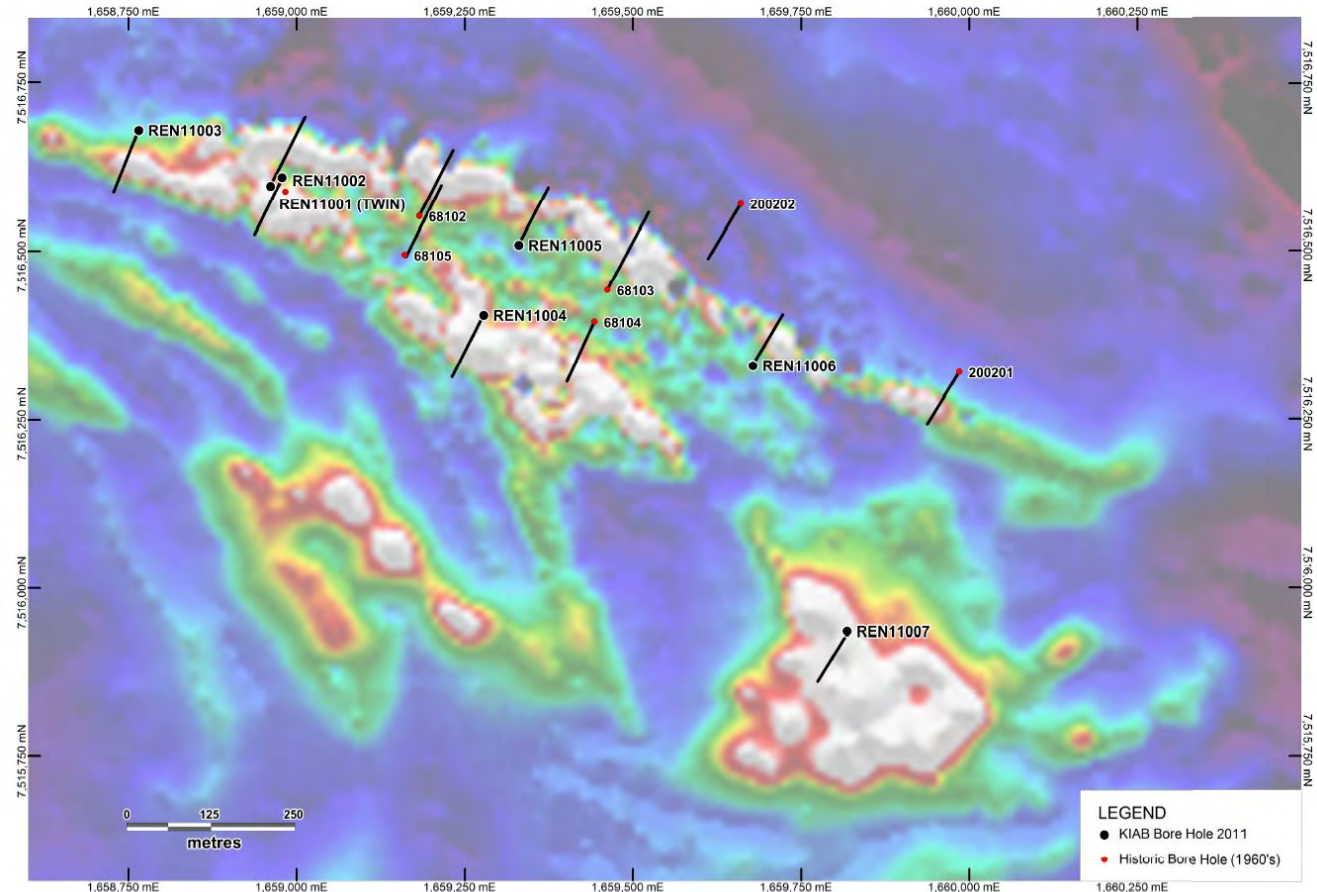
- Two twin holes and three exploration holes completed
- Exploration hole VIE003 returned **44.3m @ 32.84% Fe from 71.6m**
- Twin hole VIE005 returned **61m @ 40% Fe from 52m**



**Vieto-14Mt @ 35.7% Fe, 0.14% P, 1.46% S**

Refer page 9 for JORC Resource Table

- One twin hole and six exploration holes completed.
- REN11007 drilled into a previously untested magnetic anomaly-iron ore intercepted.
- Assay results and resource update pending.



## Renhagen Exploration Target - 20-30Mt @ 30-35% Fe

Refer to page 11 for the JORC Exploration Target Table. The JORC Exploration Targets have been subjected to diamond drill testing, ground geophysics and interpretation by the Geological Survey of Sweden reviewed by Mr Thomas Lindholm, of GeoVista AB. The potential quantity and grade of the exploration targets is conceptual in nature, there has been insufficient interpretation to define a JORC Mineral Resource and it is and it is uncertain if further interpretation will result in the determination of a JORC Mineral Resource.

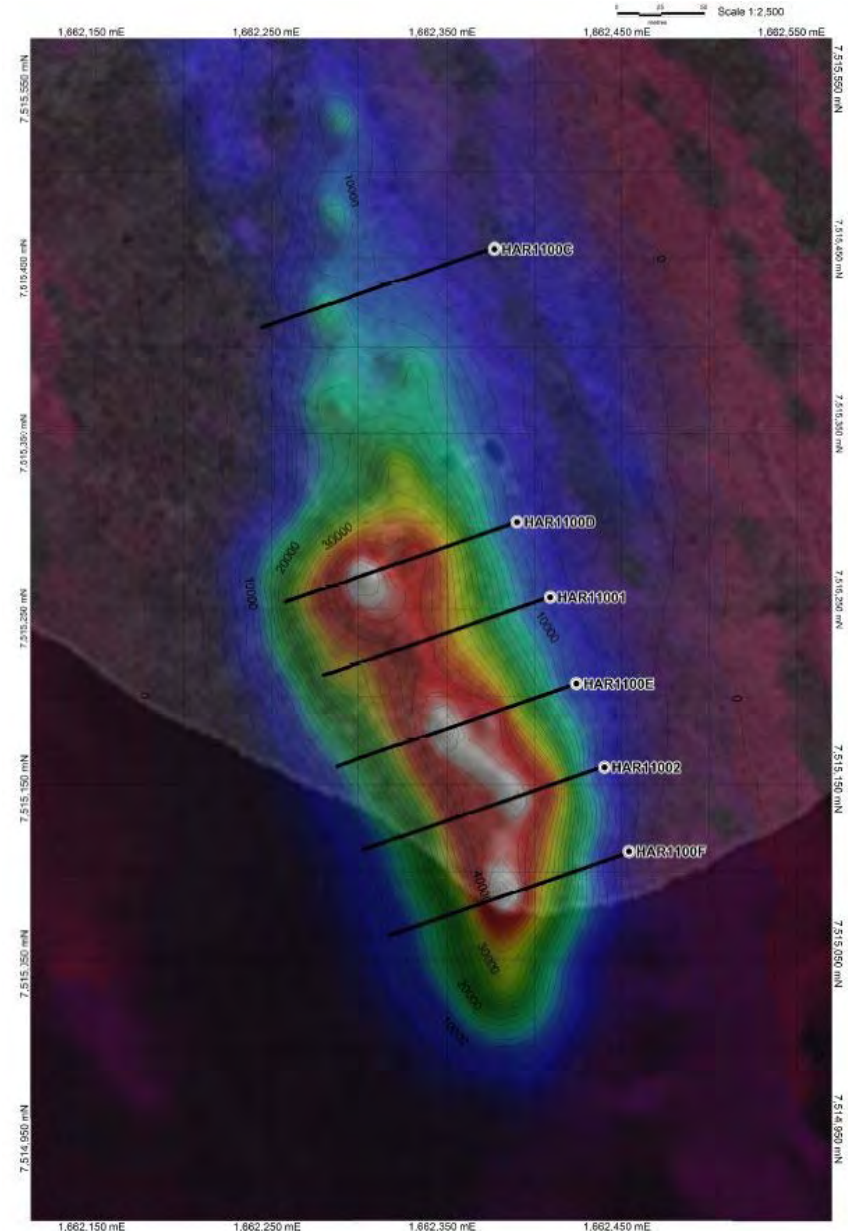


- Ground magnetic and gravity surveys completed in January 2011.
- Diamond drilling of one twin hole and four exploration holes recently completed.
- Extremely rich intercepts of magnetite and hematite ore have been recorded from current drilling.
- **Assays pending.**

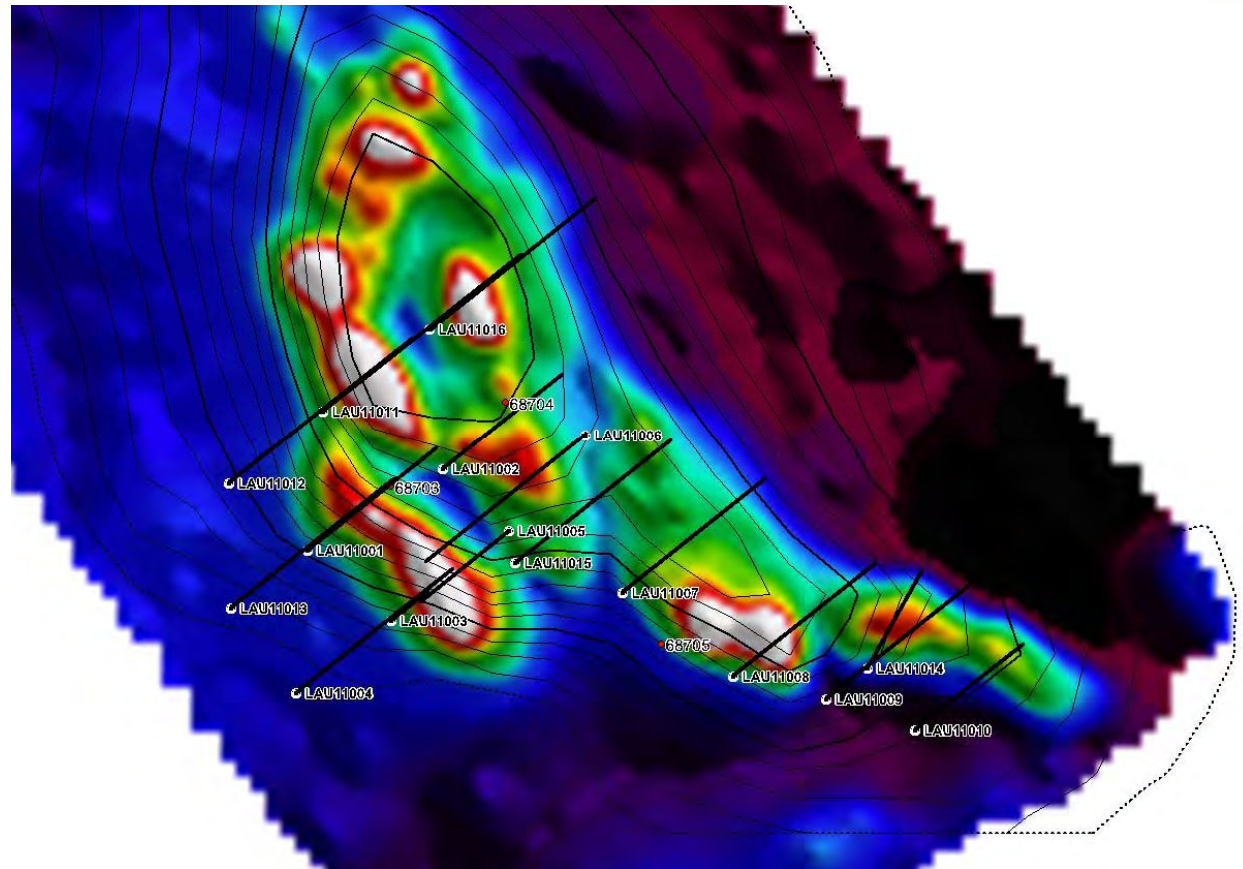


Refer to page 11 for the JORC Exploration Target Table. The JORC Exploration Targets have been subjected to diamond drill testing, ground geophysics and interpretation by the Geological Survey of Sweden reviewed by Mr Thomas Lindholm, of GeoVista AB. The potential quantity and grade of the exploration targets is conceptual in nature, there has been insufficient interpretation to define a JORC Mineral Resource and it is uncertain if further interpretation will result in the determination of a JORC Mineral Resource.

**Exploration Target - 10-20Mt @ 40-45% Fe**



- Twinning of 1 historical hole, 68702, totaling 220m.
- 15 exploration holes completed testing open positions within the anomaly package for approximately 3000m.
- Detailed magnetic survey (blue rectangle) was completed in January 2011.
- Assays and resource update pending.



## Laukkujärvi Exploration Target - 4-8Mt @ 30-35% Fe

Refer to page 11 for the JORC Exploration Target Table. The JORC Exploration Targets have been subjected to diamond drill testing, ground geophysics and interpretation by the Geological Survey of Sweden reviewed by Mr Thomas Lindholm, of GeoVista AB. The potential quantity and grade of the exploration targets is conceptual in nature, there has been insufficient interpretation to define a JORC Mineral Resource and it is and it is uncertain if further interpretation will result in the determination of a JORC Mineral Resource.

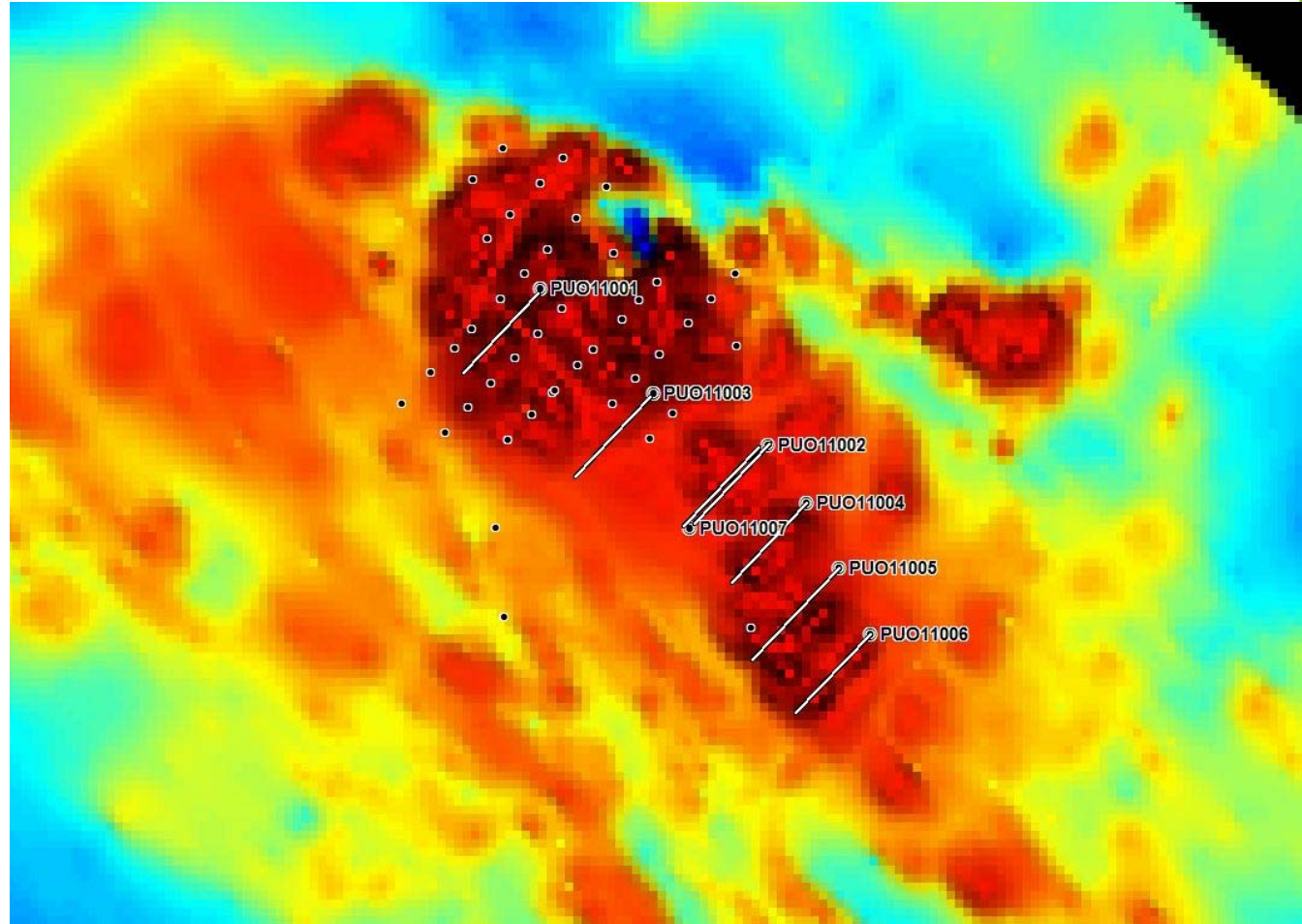


- Two twin holes and five exploration holes completed.

- Twin hole PUO11001 returned **89.95m @ 41.66% Fe from 6.25m and 115.95m @ 27.77% Fe from 110.35m**

- **Balance of assay results and resource update pending.**

Refer to page 11 for the JORC Exploration Target Table. The JORC Exploration Targets have been subjected to diamond drill testing, ground geophysics and interpretation by the Geological Survey of Sweden reviewed by Mr Thomas Lindholm, of GeoVista AB. The potential quantity and grade of the exploration targets is conceptual in nature, there has been insufficient interpretation to define a JORC Mineral Resource and it is and it is uncertain if further interpretation will result in the determination of a JORC Mineral Resource.



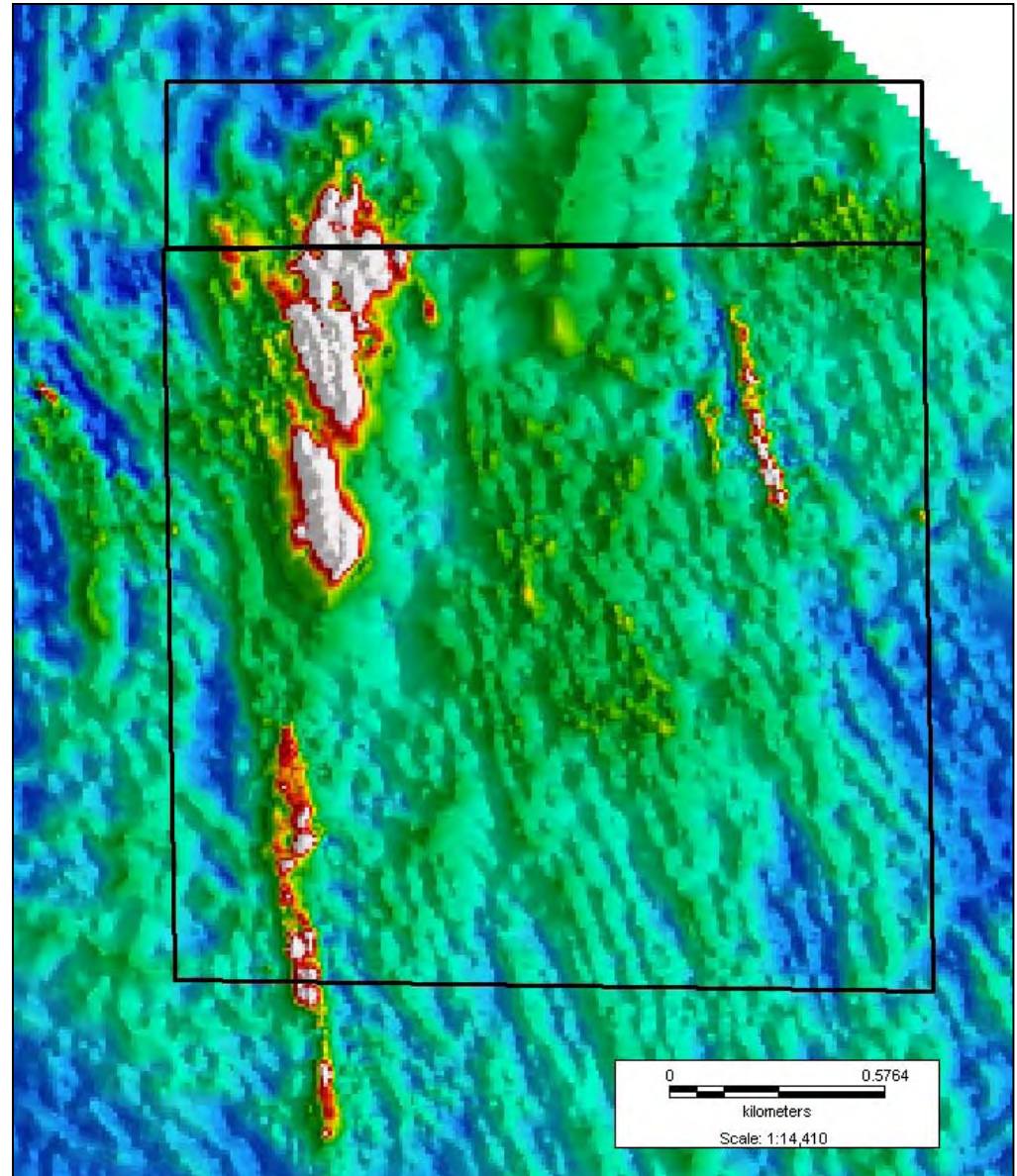
**Puoltsa Exploration Target - 30-40Mt @ 33-36% Fe**

- Processing and modelling of excellent historic ground based magnetic data has been completed and drilling of 6 holes has been recommended.
- Historic drilling confirmed good grades and widths of iron mineralisation.
- Drilling will commence in Winter 2011-2012.

## Altavaara Exploration Target

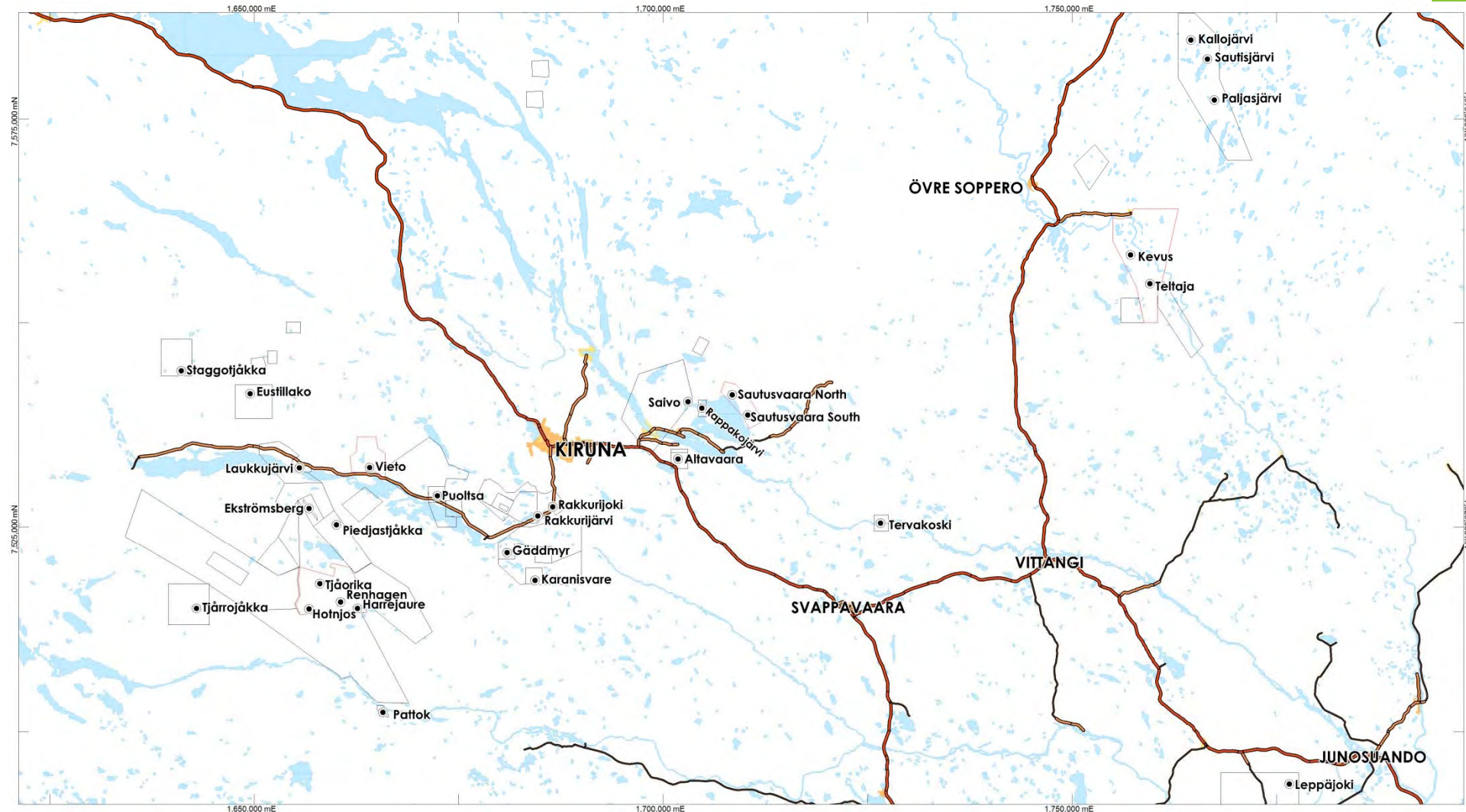
-  
**10-20Mt @ 23-30% Fe.**

Refer to page 11 for the JORC Exploration Target Table. The JORC Exploration Targets have been subjected to diamond drill testing, ground geophysics and interpretation by the Geological Survey of Sweden reviewed by Mr Thomas Lindholm, of GeoVista AB. The potential quantity and grade of the exploration targets is conceptual in nature, there has been insufficient interpretation to define a JORC Mineral Resource and it is and it is uncertain if further interpretation will result in the determination of a JORC Mineral Resource.





- Multiple other iron targets are also being worked up including Gäddmyr, Karanisvare, Tjåorika, Hotnjos, Kuosatjvare, Pattok, Tervakoski, Leppäjoki, Holmajärvi Södra, Saivo, Rappakojärvi, Staggotjåkka, and Eustillako .



- A characteristic of the Kiruna iron ore deposits is the notable copper and gold content.
- To date KIAB has 15.9Mt @ 0.46% Cu.
- Any future processing of iron will seek to extract all economic copper and gold credits.

JORC Compliant **Inferred** Mineral Resource Table (Copper & Gold)

Prospect	Tonnes (Mt)	Cu (%)	Au (g/t)
Discovery Zone	10.9	0.31	0.08
Tjärrojåkka	5.0	0.60	N/A
<b>TOTAL</b>	<b>15.9</b>	<b>0.46</b>	-



- Phase 2 drilling includes resource drilling at:
  - Rakkurijoki- 13,000m
  - Rakkurijärvi-to be planned
  - Ekströmsberg-to be planned

Reduce drill spacing from 200m to 100m at both Rakkurijoki and Rakkurijärvi which will enable the resources to move from inferred to indicated categories.

- Phase 2 drilling includes regional exploration drilling at:
  - Paljasjärvi
  - Altavaara

Validate historical drill intercepts with twin holes

Expand known deposit parameters

Confirm iron mineralisation in previously untested anomalies

An updated resource statement is due towards the end of 2011 and will largely comprise moving current exploration targets into JORC inferred resources i.e. at:

- Puoltsa
- Laukkujärvi
- Renhagen
- Harrejaure

- Infill resource drilling already underway at Rakkurijoki where 13,000m will be drilled over the coming months. An additional 10,000 -13,000m will be required to take the drill spacing from 100m to 50m or from indicated to measured.
  - Rakkurijärvi-to be planned but will commence once the lake is frozen i.e. Feb 2012.
  - Ekströmsberg-to be planned but will commence once the river is frozen i.e. Feb 2012
  - Regional exploration drilling will commence at Paljasjärvi in Feb 2012.
- 
- Currently Styrud Arctic AB has two drilling rigs at Rakkurijoki and Protek Norr AB will have the first of two drilling rigs arriving in September and the second to follow soon thereafter.



## **Competent Persons Statement - Exploration Results**

The information in this document that relates to exploration results is based on information compiled by Mrs. Amanda Arrowsmith, Exploration Manager, Scandinavian Resources Ltd, 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 “Australian 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.

## **Competent Persons Statement - Exploration Targets**

The information in this document that relates to JORC Exploration Targets is based on information reviewed by Mr Thomas Lindholm of GeoVista AB, Luleå, Sweden acting as an independent “Competent Person”. Mr Lindholm is a member of the Australasian Institute of Mining and Metallurgy (Member 230476). Mr Lindholm is qualified to be a Competent Person as defined by the JORC Code on the basis of training and experience in the exploration, mining and estimation of mineral resources of gold, base metal and iron deposits. Mr Lindholm consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

\*The JORC Exploration Targets have been subjected to diamond drill testing, ground geophysics and interpretation by the Geological Survey of Sweden reviewed by Mr Thomas Lindholm, of GeoVista AB. The potential quantity and grade of the exploration targets is conceptual in nature, there has been insufficient interpretation to define a JORC Mineral Resource and it is uncertain if further interpretation will result in the determination of a JORC Mineral Resource.

## **Competent Persons Statement - Mineral Resources**

The mineral resource estimate for Rakkurijärvi, Rakkurijoki, Discovery and Tributary Zone is effective from 27 July 2011 and has been prepared by Mr Thomas Lindholm, MSc of GeoVista AB, Luleå, Sweden acting as an independent “Competent Person”. Mr Lindholm is a fellow member of the Australasian Institute of Mining and Metallurgy (Member 230476). Mineral resources of the Rakkuri iron deposits have been prepared and categorised for reporting purposes by Mr Lindholm, following the guidelines of the JORC Code. Mr Lindholm is qualified to be a Competent Person as defined by the JORC Code on the basis of training and experience in the exploration, mining and estimation of mineral resources of gold, base metal and iron deposits.

The mineral resource estimate for Ekströmsberg, Tjärrojåkka, and Pattok is effective from 22 July 2011 and has been prepared by Dr Christopher Wheatley of Behre Dolbear International Ltd, UK, acting as an independent “Competent Person”. Dr Wheatley is a member of the Institute of Materials Minerals and Mining (Member 450553). Mineral resources of the Ekströmsberg, Tjärrojåkka, and Pattok have been prepared and categorised for reporting purposes by Dr Wheatley, following the guidelines of the JORC Code. Dr Wheatley is qualified to be a Competent Person as defined by the JORC Code on the basis of training and experience in the exploration, mining and estimation of mineral resources of gold, base metal and iron deposits. Dr Wheatley consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The mineral resource estimate for Vieto and Sautusvaara is effective from 26 July 2011 and has been prepared by Mr Geoffrey Reed of Minarco-MineConsult acting as an independent “Competent Person”. Mr Geoffrey Reed is a Member of the Australasian Institute of Mining and Metallurgy (CP)(Member 205422). Mineral resources of the Vieto, Sautusvaara have been prepared and categorised for reporting purposes by Mr Reed, following the guidelines of the JORC Code. Mr Reed is qualified to be a Competent Person as defined by the JORC Code on the basis of training and experience in the exploration, mining and estimation of mineral resources of gold, base metal and iron deposits. Mr Reed consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.



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

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Kiruna Iron AB (Org nr 556811-8060) A subsidiary of Scandinavian Resources Ltd (ASX: SCR)