



ASX Announcement / Media Release

7 September 2011

Fast Facts

ASX Code: SCR
SCRO

Capital Structure

Shares on issue: 78.16m
Options on issue: 60.86m (ex 20c – 75c)
Market cap: \$28.14m (undiluted)

Board of Directors

Damian Hicks Chairman
Olof Forslund Technical Director
Ian Gregory Director & Company Secretary
Paul Thomas Non-executive Director
Markus Bachmann Non-executive Director

Primary Projects

Sweden

Kiruna Iron
Swampy Mountain Iron-copper-gold & PGE

Norway

Lake Embrace Copper-lead-zinc

Project Pipeline

Commodities

Gold
Copper
Copper-gold
Copper-lead-zinc

Updated Kiruna Iron Project Drilling and Assay Update

By Amanda Arrowsmith, Exploration Manager

- Updated global JORC Resource for the Kiruna Iron Project scheduled for late in 2nd Quarter 2011/2012
- Preliminary metallurgical testwork confirms that Kiruna Iron Project mineralisation could produce a high quality iron concentrate (+70% Fe)
- In the tradition of mining iron in Kiruna, all Kiruna Iron AB prospects are being considered as open pit mining opportunities
- 'Flagship' Rakkurijoki Prospect (6km from Kiruna)
 - Drilling ongoing with two drill rigs in-filling the JORC inferred mineral resource
 - Drilling results indicate iron mineralisation starts at surface and is 'open' beyond 400m
 - Highly encouraging assays results received
- Puoltsa Prospect
 - Initial iron results confirm the wide historical drill intercepts
- Laukkujärvi Prospect
 - Initial iron results provide encouragement for further drill testing
- General
 - Phase 1 exploration drilling has now been completed for a total of 14,202m; Phase 2 infill drilling of Rakkurijoki now underway with two drill rigs on site; detailed ground geophysical surveys commenced at Rakkurijärvi
- Exploration Targets
 - This announcement contains information previously announced to ASX on 6 September 2011 with the addition of statements relating to exploration targets and relevant competent person statements

EXPLORING THE SCANDINAVIAN SHIELD

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Scandinavian Resources Ltd (ASX:SCR) is pleased to provide an update on drilling activities carried out by its wholly owned subsidiary Kiruna Iron AB (KIAB) at the Kiruna Iron Project located 1,300km north of Stockholm, Sweden.

The first phase of exploration diamond drilling, which commenced in February, has now been completed for a total of 60 drill holes and 14,224.95m.

Project	No. Holes	Total length (m)	Comments
Vieto	5 completed	1,005.9m	All assays returned
Sautusvaara	5 completed	1,399.7m	All assays returned
Rakkurijärvi	6 completed	1,487.2m	All assays returned
Laukkujärvi	16 completed	3293.2m	Assays returned for four holes, balance pending.
Rakkurijoki	8 completed	3083.45m	Assays returned for five holes, balance pending. 13,000m drilling planned
Puoltsa	7 completed	1714.1m	Assays returned for four holes, balance pending.
Renhagen	7 completed	1187.9m	Assays pending.
Harrejaure	5 completed	1031.3m	Assays pending.
TOTAL	60 holes	14,202.75m	

Step-out drilling at flagship Rakkurijoki JORC resource, testing the mineralisation below 400m has recently been completed; iron mineralisation was intersected and assay results are pending. Infill drilling at Rakkurijoki has now commenced with two rigs currently drilling; 13,000m has been planned to take the drill spacing from the current 200m down to 100m. Recently received assay results from Rakkurijoki continue to highlight the potential of this deposit with excellent iron grades and widths. Recently received assay results include 16m @ 49% Fe from 277m (RJO11004), 58m @ 36% Fe from 323m (RJO11004) and 26m @ 41% Fe from 222m (RJO11005).

The first results from the Puoltsa iron prospect, located 15km southwest of Kiruna, have also been received. PUO11001 and PUO11003 were both twin holes which confirmed the wide historic intercepts including 89.95m @ 41.66% Fe from 6.25m (PUO11001) and 115m @ 27% Fe from 110m (PUO11001 – Twin hole). The Puoltsa iron prospect has an Exploration Target of 30-40Mt @ 33-36% Fe.¹

The first results have also been received from the Laukkujärvi iron prospect, located 30km west of Kiruna. The Laukkujärvi area has historically been explored for copper mineralisation but both magnetite and hematite mineralisation is also present. In January 2011, KIAB completed both a ground magnetic and gravity survey at Laukkujärvi and 16 drillholes have been completed at the prospect. Initial iron results include 66m @ 23% Fe from 70m (LAU11001) and 27m @ 30% Fe from 45m (LAU11011). The current JORC Exploration Target for Laukkujärvi is 4-8Mt @ 30-35% Fe.²

^{1,2} 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.

A summary metallurgical report received from METS in Perth Western Australia was released to ASX on 5 September 2011. The METS report highlights the potential to produce a high quality magnetite concentrate from the Kiruna Iron Project. The iron assay results quoted for the Kiruna Iron Project should therefore be read in conjunction with the summary in the METS report. In the first instance KIAB will be assessing the opportunity to commence potential future mining activities via open pit methods, which is traditionally how historical iron mines in the Kiruna District.

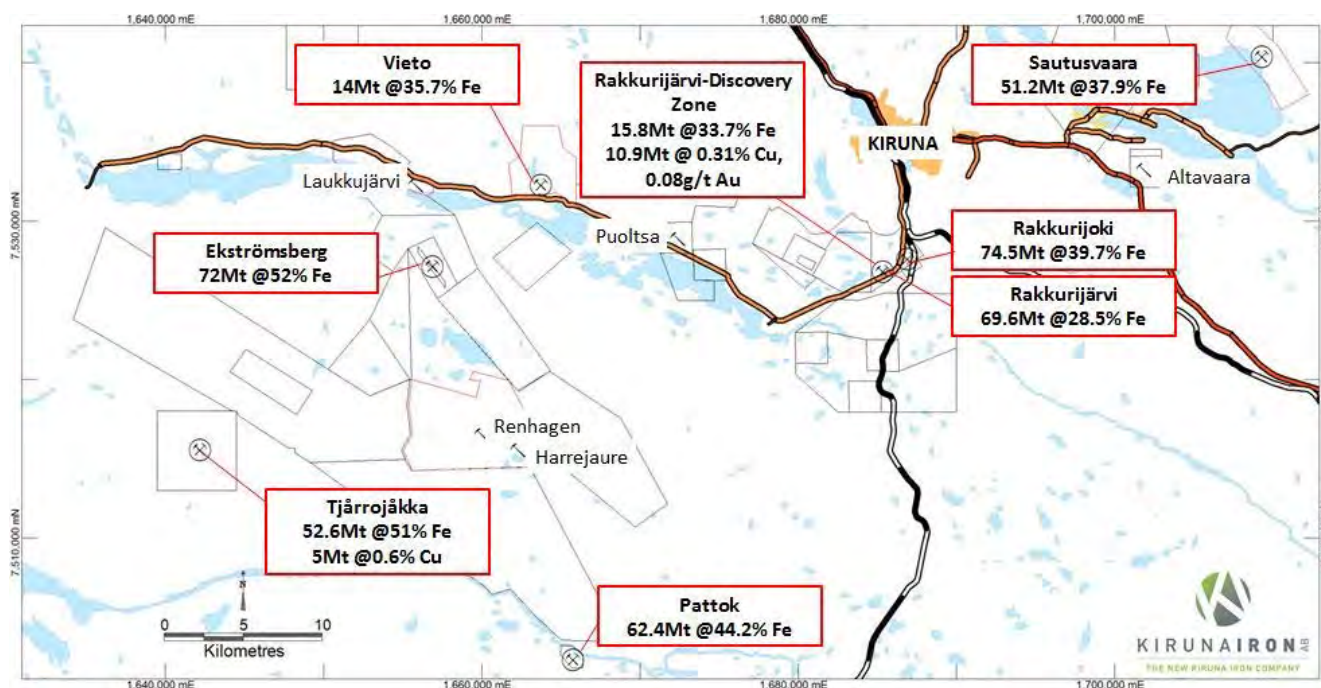
Prospect	Hole ID	From (m)	To (m)	Length (m)	Ave Fe%	Ave Cu%	
Rakkurijoki	RJO11004	277.13	293.51	16.38	49.72		
	RJO11004	323.05	381.21	58.16	36.19		
	RJO11004	386.40	408.38	21.98	25.06		
	RJO11005	222.83	249.62	26.79	41.46		
Puoltsa	PUO11001¹	6.25	96.20	89.95	41.66		
	PUO11001	110.35	226.30	115.95	27.77		
	PUO11002	74.00	95.25	21.25	21.31		
	PUO11003²	47.27	79.59	32.32	26.46		
	PUO11003	83.57	149.87	66.3	22.13		
	PUO11003	157.04	187.05	30.01	43.00		
	PUO11004	49.55	58.85	9.3	18.81		
	PUO11004	88.60	94.60	6.0	22.30		
	Laukkujärvi	LAU11001³	70.00	136.20	66.20	23.97	0.25
		LAU11002	47.80	63.00	15.20	18.95	
	LAU11002	78.40	84.60	6.20	25.32		
	LAU11002	129.00	146.00	17.00	17.76		
	LAU11004	166.50	203.60	37.10	18.49	0.17	
	LAU11011	11.98	16.06	4.08	33.53	0.17	
	LAU11011	45.83	73.58	27.75	30.55	0.19	
	LAU11011	118.47	127.60	9.13	45.76		
	LAU11011	164.78	175.05	10.27	39.47		
	LAU11011	188.60	193.86	5.26	23.98		

All samples submitted to ALS Laboratories (Brisbane) for ME-XRF15b for iron analysis and ME-ICP61 for all other elements.

¹ Twin hole to 64609

² Twin hole to 66616

³ Twin hole to 68702



Kiruna Iron Project-Current JORC resources (please refer to Schedule for classifications of resources and competent person statements).

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Scandinavian Resources Ltd Summary

By way of introduction Scandinavian Resources':

- strategy is to 'incubate' a highly prospective portfolio of iron, manganese, gold, PGE and base metals projects in Scandinavia (primarily Sweden and Norway).
- Technical Director Mr. Olof Forslund was previously Regional Manager of the Geological Survey of Sweden's Mineral Resources Information Office in Malå, Sweden.
- is one of the largest landholders (by area) of minerals exploration projects in Sweden and one of the largest landholders in the world class Kiruna IOCG District.
- exploration projects are the Kiruna iron Project (Kiruna District, Sweden), Lake Embrace copper-lead-zinc-silver Project (Nordland District, Norway) and Swampy Mountain iron-copper-gold plus PGE Project (Skellefte District, Sweden).
- flagship Kiruna iron Project is 30km from the 2Bt Kiruna iron mine (owned by LKAB) – the world's largest and most modern underground iron mine.
- 'pipeline' of projects cover gold, copper-gold and lead-zinc prospects in Sweden and Norway.

Please visit www.scandinavianresources.com for a detailed summary of the Company's projects.

SCHEDULEJORC 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
TOTAL	73.8	43.0	-	-

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
TOTAL	338.3	39.0	-	-

Total	Mt	Fe (%)
Indicated & Inferred	412.1	39.9

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

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
Tjåorika	15-30	45-55
TOTAL	218-323	32-39

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.

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.