



**ASX Announcement / Media Release  
29 December 2011**

**Kiruna Iron Project  
Altavaara Drilling Update**

*By Amanda Arrowsmith, Exploration Manager*

- 12 diamond drill holes completed at Altavaara for 2,694m
- Very wide, low grade iron mineralisation intercepted<sup>1</sup>
- Altavaara expands options for the Kiruna Hub
- Altavaara located 15km south of Kiruna, 10km from rail and 650m from major road that lead to ports in Lulea, Sweden and Narvik, Norway

Scandinavian Resources Ltd (ASX:SCR) is pleased to provide an update on drilling activities carried out by wholly owned subsidiary Kiruna Iron AB (KIAB) at the Kiruna Iron Project located 1,300km north of Stockholm, Sweden. Twelve diamond drill holes have now been completed at the Altavaara Prospect which is part of the expanding Kiruna Hub (refer Locations Maps on pp 2 and 5). The Kiruna Hub represents an opportunity to develop a central processing hub for a number of increasingly prospective iron ore occurrences; the majority of which are located within 40km of Europe's largest iron ore mine and associated infrastructure.

The drilling campaigns being carried by Kiruna Iron continue to improve the Company's understanding of the Kiruna Hub iron JORC Resources, JORC Exploration Targets and greenfields targets previously announced to ASX. The exploration process being implemented by Kiruna Iron AB will enable it to provide increasing amounts of detailed information to stakeholders to aid future decision making and planning.

Altavaara was first investigated during 1961-1964 by the Swedish Geological Survey (SGU) where six diamond holes were drilled. The recent drilling by Kiruna Iron AB is the first to take place at Altavaara since the drilling by the SGU and was therefore designed to confirm the historical intercepts and to extend the known mineralisation.

Amanda Arrowsmith, Exploration Manager said "It is pleasing to report that multiple, wide zones of low grade iron mineralisation have been intercepted in the recent drilling at Altavaara. Our drilling and assaying during 2011 has confirmed a close correlation between the magnetic susceptibility of the mineralisation and the final XRF iron assay results. For this reason we are comfortable providing an estimate of the expected average iron grades for Altavaara based on the magnetic susceptibility measurements we have taken from the Altavaara core. We aim to release an updated JORC Exploration Target for Altavaara in January 2012."

<sup>1</sup> Estimated average iron grade determined via magnetic susceptibility; formal XRF assays are required to confirm iron grades.

**Fast Facts**

ASX Code: SCR

**Capital Structure**

Shares on issue: 114.4m

Options on issue: 32.5m (ex 20c – 75c)

Market cap: \$23m (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

Särksjön Au, Ag, Cu, Pb, Zn

Norway

Njivlojavri Copper-gold

Fiskarfjellet Copper

**Project Pipeline**

Commodities

Gold

Copper

Copper-gold

Copper-lead-zinc

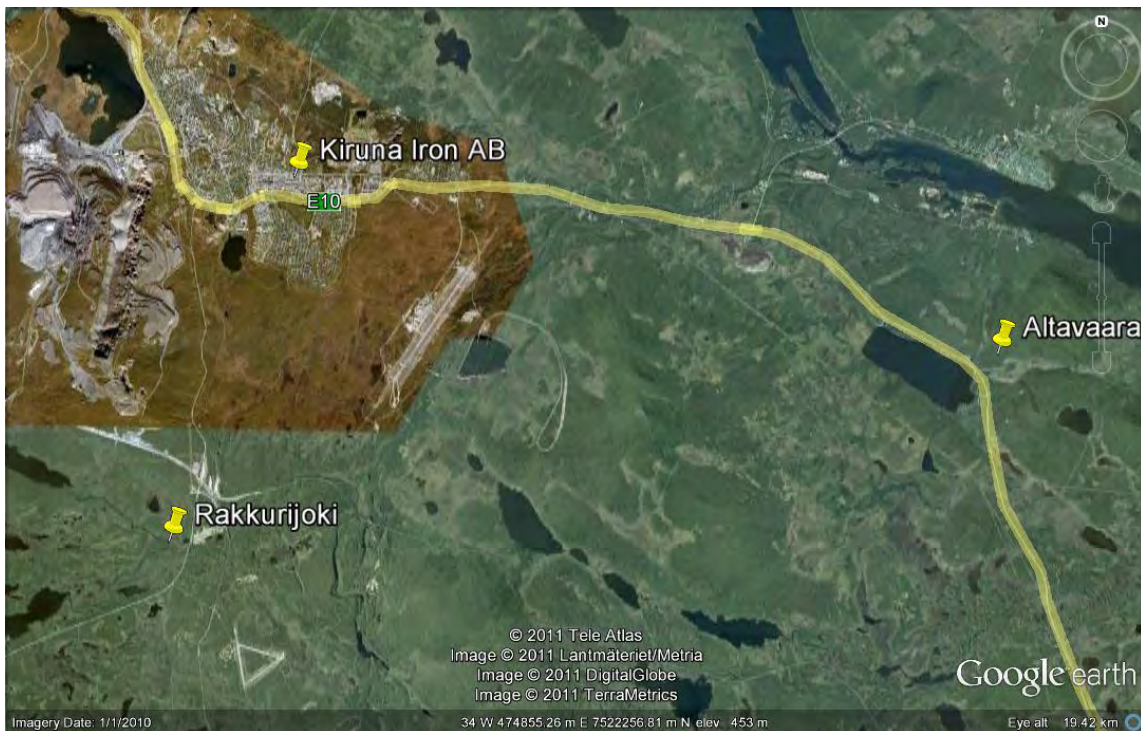
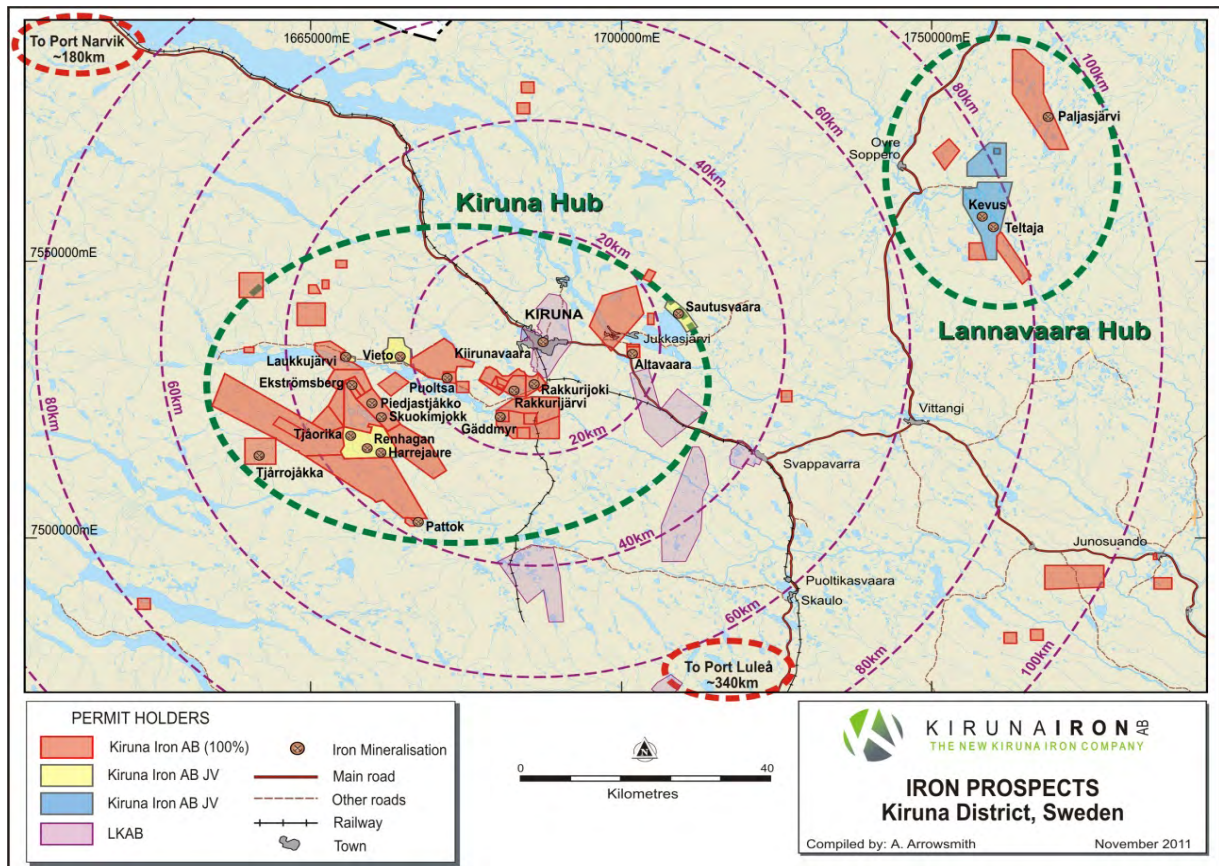
**EXPLORING THE SCANDINAVIAN SHIELD**

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ACN: 132 035 842 | ASX: SCR



Kiruna Kommun (top left), Kiruna Iron AB (office location), E10 major road south-east to Lulea (340km) and north-west to Narvik (180km), Rakkurijoki (100% owned by Kiruna Iron AB) and Altavaara (100% owned) located 650m from the E10



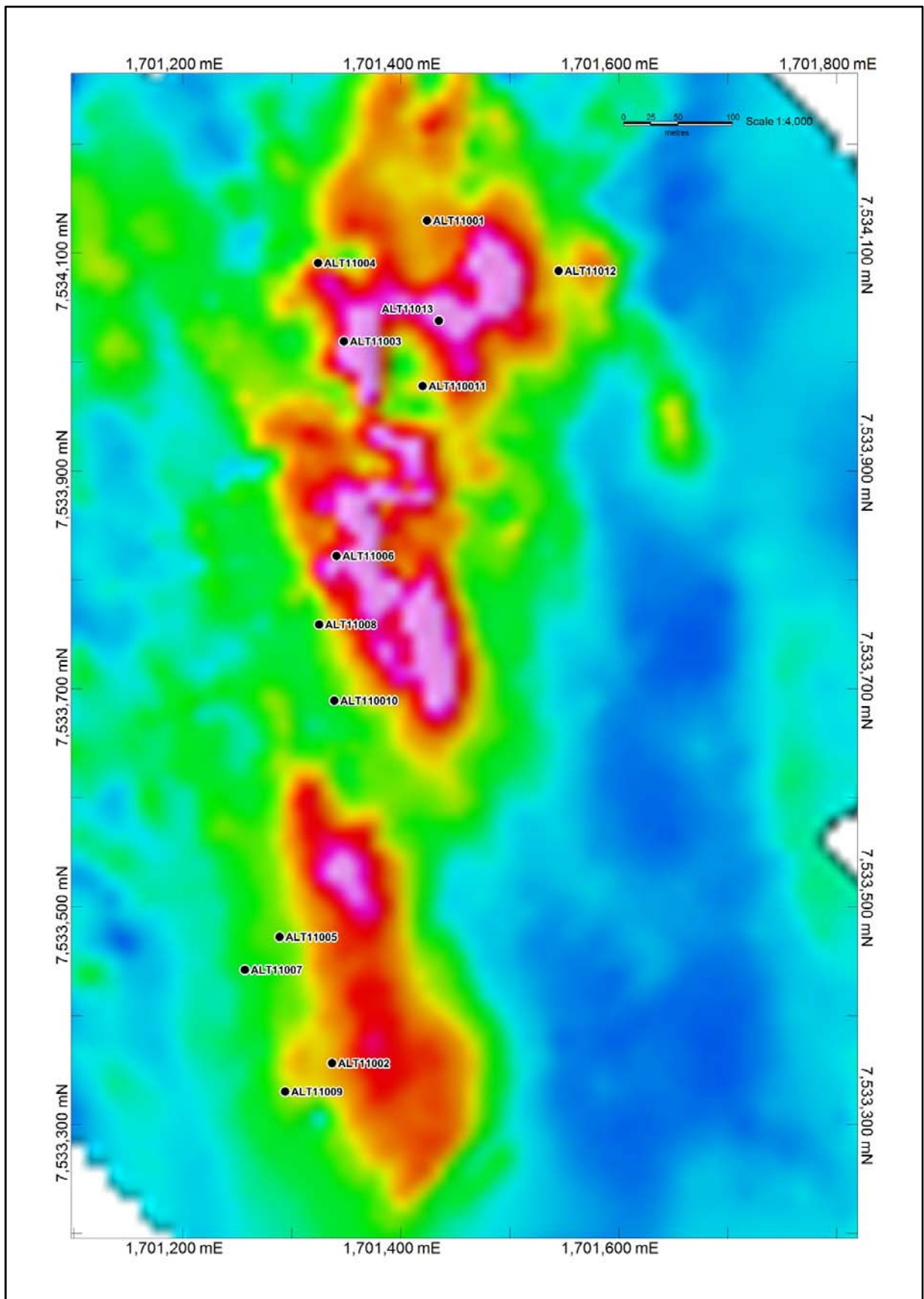
Prospect	Hole ID	From (m)	To (m)	Length (m)	Estimated Ave Fe% <sup>2</sup>
Altavaara	ALT11001	14	137	<b>123</b>	<b>21.7</b>
Altavaara	ALT11002	39	134	<b>95</b>	<b>19.2</b>
Altavaara	ALT11003	17	259	<b>242</b>	<b>24.9</b>
Altavaara	ALT11004	176	327	<b>151</b>	<b>22.9</b>
Altavaara	ALT11005	76	150	<b>74</b>	<b>22.6</b>
Altavaara	ALT11006	18	113	<b>95</b>	<b>26.5</b>
Altavaara	ALT11007	130	208	<b>78</b>	<b>21.1</b>

Hole ID	Northing (RT90)	Easting (RT90)	RL	Azimuth	Dip	Total Depth (m)
ALT11001	7534131	1701424	390	070	-60	191
ALT11002	7533357	1701337	390	070	-55	212.22
ALT11003	7534020	1701348	390	070	-60	260
ALT11004	7534092	1701324	390	070	-55	331.6
ALT11005	7533473	1701289	390	070	-55	214.17
ALT11006	7533823	1701341	390	070	-45	179.3
ALT11007	7533443	1701257	390	055	-70	269
ALT11008	7533760	1701325	390	055	-70	250.35
ALT11009	7533331	1701294	390	055	-70	267
ALT11010	7533690	1701339	390	055	-70	205.5
ALT11011	7533979	1701420	390	055	-70	184.9
ALT11012	7534085	1701545	390	250	-55	129.24
ALT11013	7534039	1701435	390	070	-45	Drilling Underway



Skarn Iron Ore - Altavaara

<sup>2</sup> Estimated average iron grade determined via magnetic susceptibility; formal XRF assays are required to confirm iron grades.



Drill collar locations of Altavaara drilling by Kiruna Iron AB overlaid on magnetic image

## SCANDINAVIAN RESOURCES LTD (ASX: SCR)

By way of introduction Scandinavian Resources’:

- strategy is to ‘incubate’ a highly prospective portfolio of iron, gold, PGE and base metals projects in Scandinavia (primarily Sweden and Norway).
- General Manager Mrs Christina Lundmark was previously Head of Division Mineral Information for the Geological Survey of Sweden in Malå, Sweden.
- 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.
- 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.
- global investment banks Canaccord Genuity and Pareto Securities have been mandated to assist with the future funding of the Kiruna Iron Project.
- ‘pipeline’ of projects cover gold, copper-gold and lead-zinc prospects in Sweden and Norway.



Please visit [www.scandinavianresources.com](http://www.scandinavianresources.com) for a detailed summary of the Company’s projects.

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### Competent Persons Statement

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.