



KIRUNA IRON AB

THE NEW KIRUNA IRON COMPANY

Strategy Update - Logistics, Production & Exploration

12 April 2011



Transport a premium quality magnetite concentrate to the Port of Narvik, Norway
via rail or pipeline

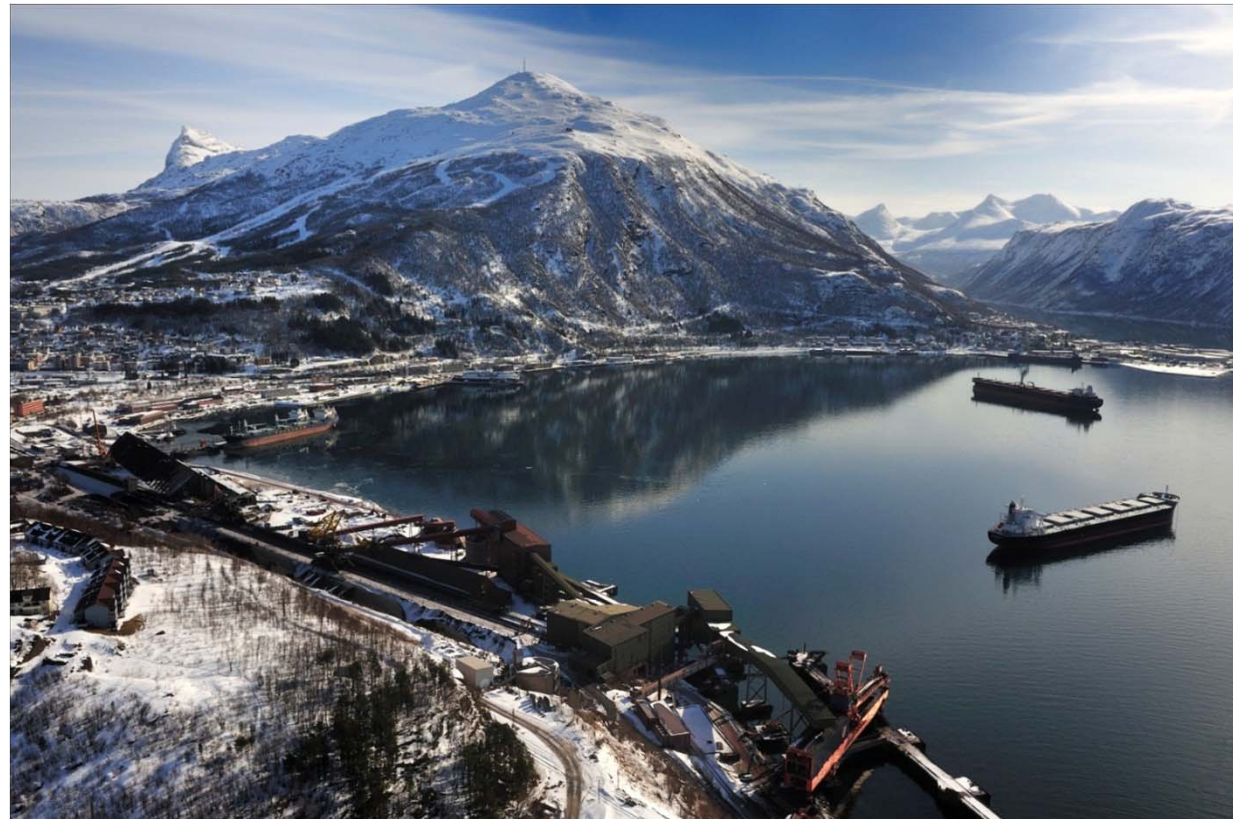
Mine iron from a number of 50 - 100Mt iron deposits within the world-class Kiruna
Iron District, Sweden

To compile significant quantities of iron within the shadow of Europe's largest iron
mine through exploration, joint venture, acquisition and application



Port of Narvik, Norway

- 180km from Kiruna Iron AB's projects
- Deep, ice-free port
- Underutilised and modern
- LKAB ship loading facilities (foreground) and Northland Resources (TSX:NAU) proposed loading facilities (back right)
- Port of Narvik 'open for business' - contact Rune Arnøy, Director, Port of Narvik, on +47 76950370 (T)



Port of Narvik, Norway

TRANSPORT TO NARVIK



Kiruna Iron AB will initiate studies into:

Railing a magnetite concentrate to Narvik

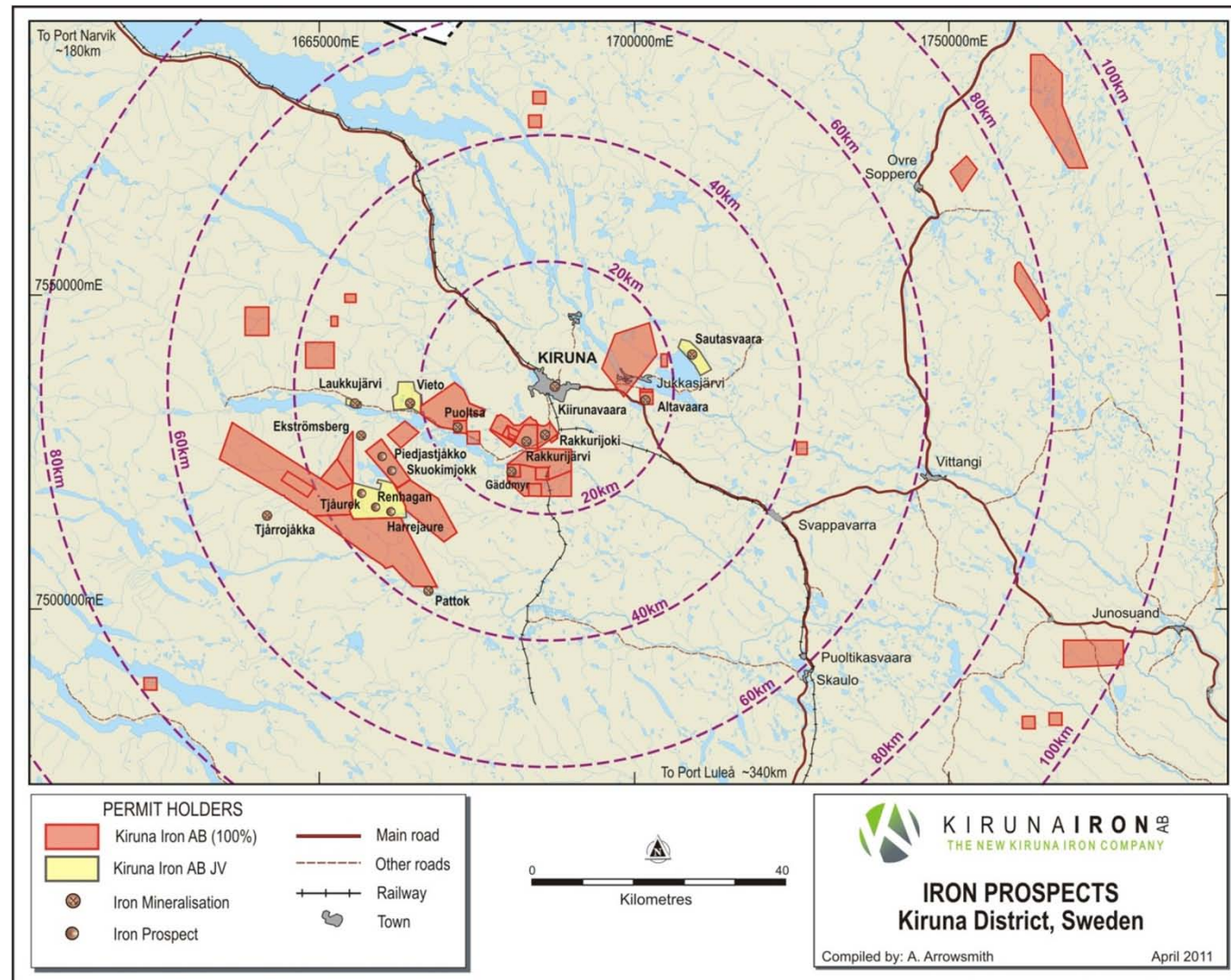
- Most probable – apply for ‘rail slots’ on an annual basis alongside LKAB and Northland Resources (TSX:NAU) utilising the existing rail network
- Most preferable – apply for ‘rail slots’ on an expanded ‘double track’ network

Piping a magnetite slurry to Narvik

- Feasibility study required to assess economics of constructing, operating and maintaining a 180km slurry pipeline from Kiruna to Narvik
 - Magnetite slurry pipelines exist for distances 220km
 - Onshore and offshore arctic pipelines exist in the energy sector

KIRUNA DISTRICT - UNDEREXPLORED

- Kiruna Iron AB is the largest permit owner in the Kiruna District
- Minimal exploration completed in Kiruna since SGU completed the Iron Ore Inventory Program (IOIP) in 1960/70's – diamond drilling and geophysical surveys
- Kiruna Iron AB has secured majority of IOIP iron occurrences and has access to SGU diamond drill core and geophysical data – significant time & cost savings

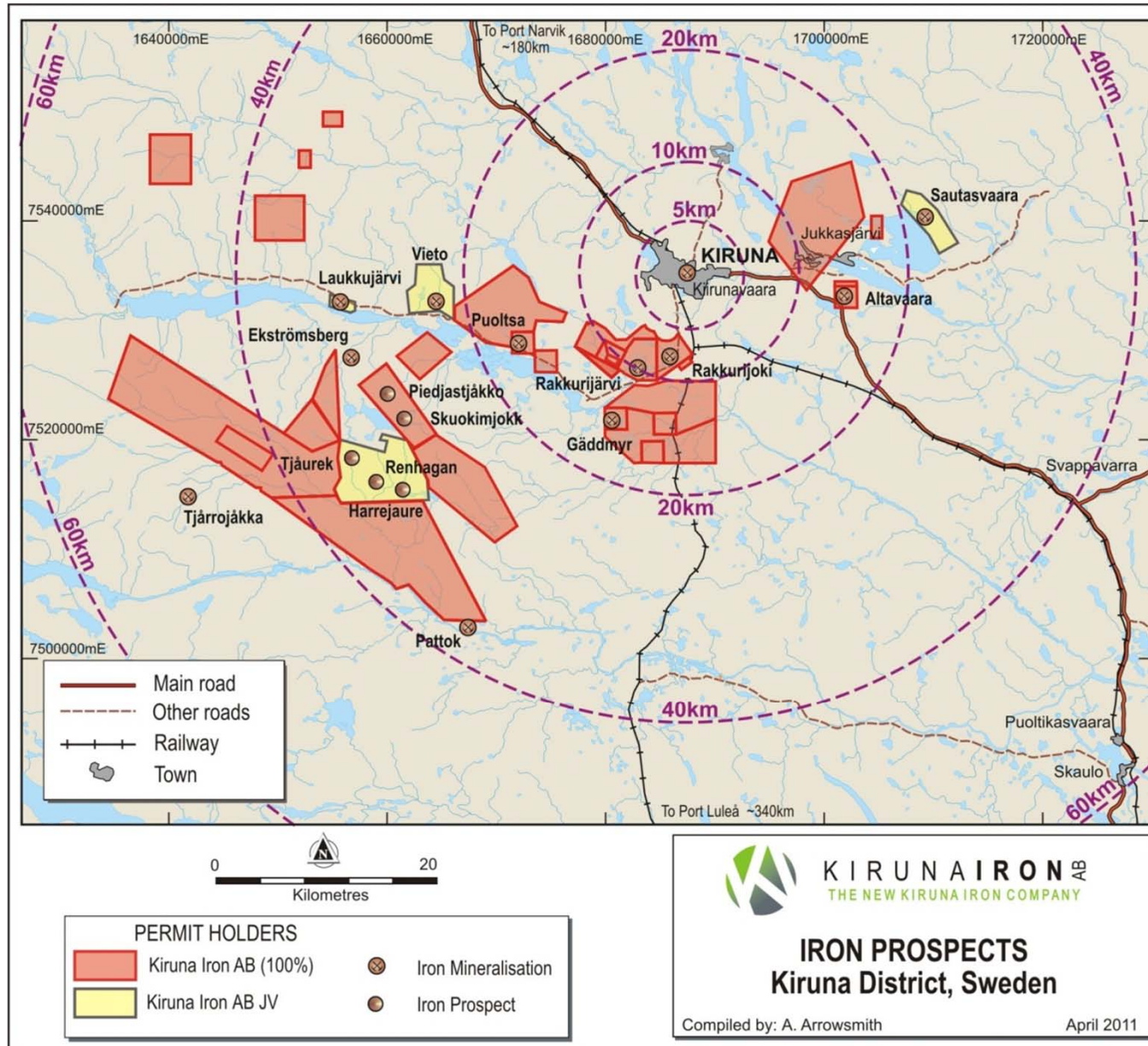


LKAB'S KIRUNA IRON MINE – WORLD CLASS

- The “Kiruna mine” is owned by LKAB and is the largest iron mine in Europe
- LKAB have been producing iron from Kiruna continuously for 100 years
- Premium quality iron pellets are railed to Narvik, Norway
- Orebody is ~4km in length, dips underneath the town, mining is taking place at ~1.7km underground; orebody is interpreted to increase at depth
- The town (in the yellow ellipse) will be moved due to the deformation of the surface resulting from the mining method



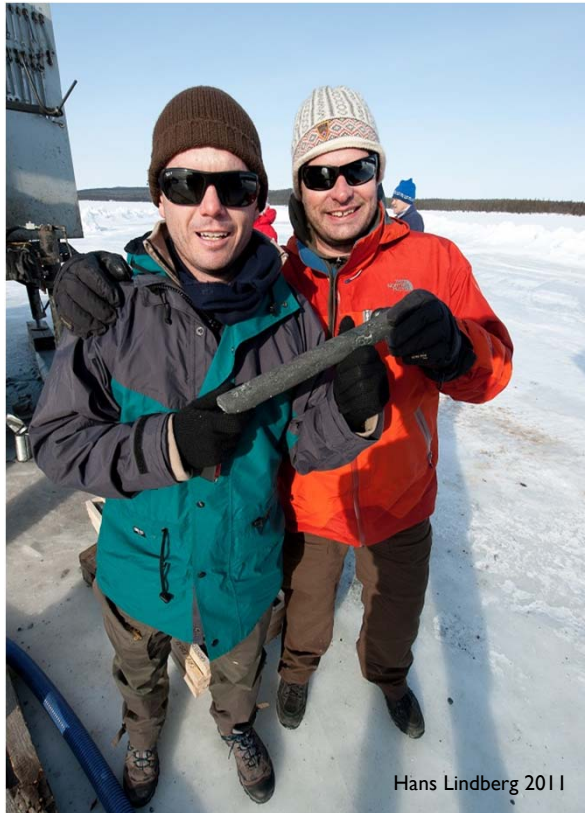
KIRUNA IRON AB – A MAJOR PERMIT POSITION



| MILESTONE | NOTES | PLANNED DATE* | CORPORATE TARGET** |
|---------------------|------------------------------------|---------------|--------------------|
| Exploration Update | Drilling to date | April 2011 | |
| Resource Update | Inferred | July 2011 | 200-250Mt |
| Environmental | Studies | 2011 | |
| Logistics MOU | Port and Pipeline / Rail | 2011 | |
| Resource Updates | Inferred / Indicated / Measured | 2012/2013 | 250Mt – 1Bt |
| Reserve Updates | Probable / Proven | 2013 / 2014 | |
| Start-up Production | | 2014 / 2015 | 5-10Mt/annum |

* Preliminary estimate only and subject to change

** This is not a JORC resource or a JORC exploration target. It is merely an internal corporate target and has no relationship to existing, potential or future mineral resources.



Damian Hicks, Director and Markus Bachmann, Director with magnetite ore at Sautusvaara (left); Amanda Arrowsmith, Exploration Manager at Kiruna Iron AB office in Kiruna (centre); driller on the rig at Sautusvaara (right)



Technical meeting in Kiruna, Sweden (above);
drilling at Rakkurijarvi (below)



Drilling on frozen lake at Sautusvaara (above);
presentation at SGU in Mala, Sweden (below)





Technical meeting with GeoVista in Kiruna;
flying over reindeer herding area (below)



Paul Thomas (Director), Amanda Arrowsmith
(Exploration Manager), Ian Gregory (Director),
Damian Hicks (Director), Olof Forslund (Director)
& Markus Bachmann (Director) outside Mala
office, Sweden

SCANDINAVIAN RESOURCES LTD - DIRECTORS



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

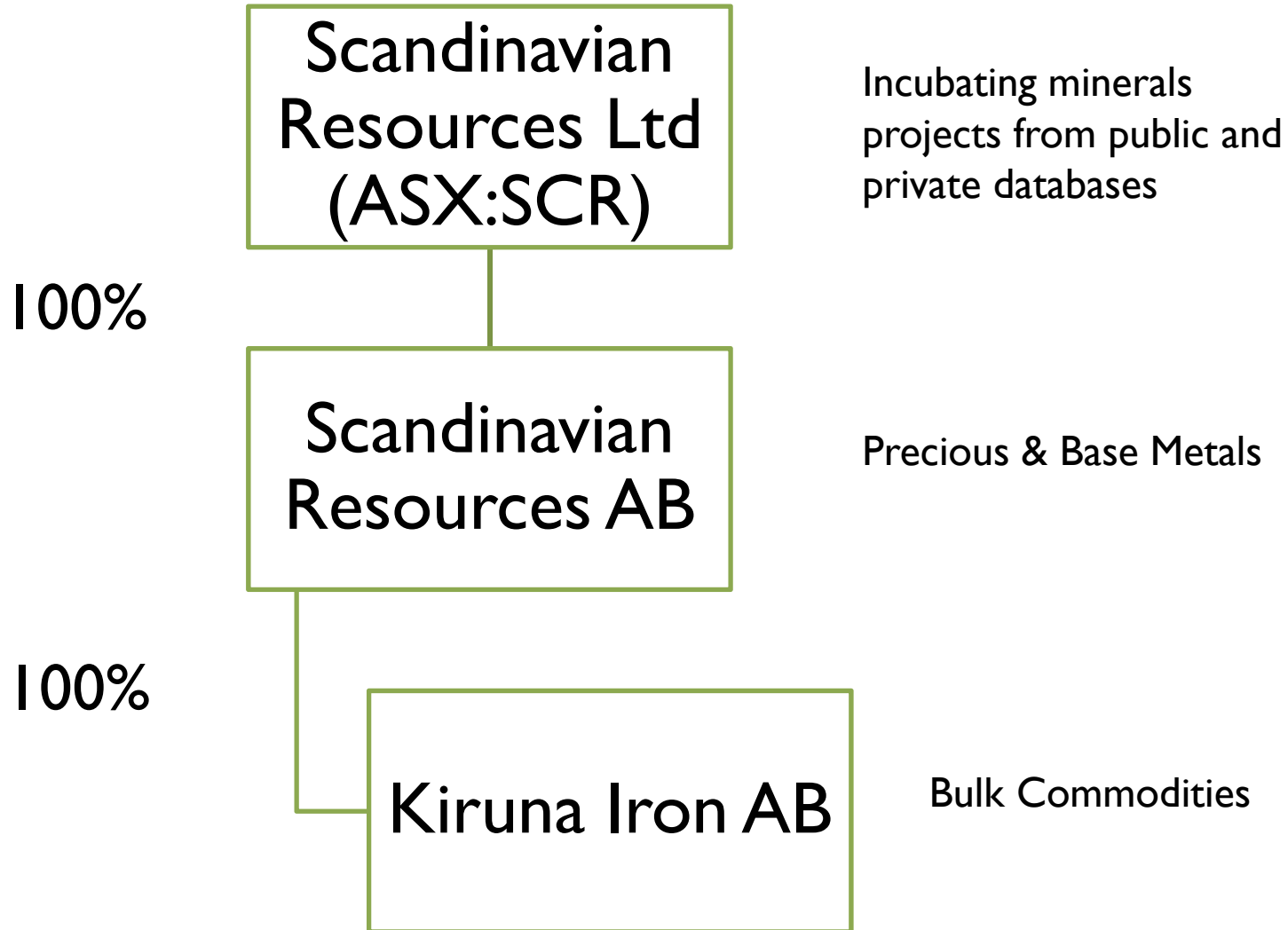
- Founding director
- Geophysicist with extensive international experience in the mineral exploration industry
- Majority of career with Geological Survey of Sweden (SGU); commenced in 1966
- Previously Regional Manager of SGU Mineral Resources Information Office



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



| | |
|------------------------------------|------------|
| Total Ordinary Shares | 64,933,996 |
| Total Options (Ex 20c – 75c) | 67,391,642 |
| Fully Diluted Market Cap @ A\$0.62 | A\$81.9M* |

*Includes all “in-the-money” options

| | |
|-------------------------------|----|
| Major Shareholders | % |
| Equity & Royalty Investments | 32 |
| OM Holdings Ltd | 19 |
| Craton Capital Funds | 10 |
| Top 20 Shareholders (approx.) | 80 |



ASX:SCR SHARE PRICE CHART



VALUE PROPOSITION

| COMPANY | TONNES (Mt) | IRON GRADE (%) | MARKET CAP (A\$M) | LOCATION | STAGE / LISTED EXCHANGE | NOTES |
|----------------------------|--------------------------------|----------------|--------------------|-----------------|-------------------------|---|
| Scandinavian Resources Ltd | 185 (SGU deposits & Resources) | 35 | 78 (fully diluted) | Northern Sweden | Explorer ASX:SCR | <ul style="list-style-type: none"> Minimal exploration since 1970 Located adjacent to Kiruna town and rail infrastructure No off-take agreements OMH own 19% of SCR |
| Northland Resources Inc | 176 (Reserves) | 26 - 41 | 663 | Northern Sweden | Developer TSX:NAU | <ul style="list-style-type: none"> Intensive exploration during last 5 years Recently delivered DFS for Kaunisvaara Plan to truck ore 150km to rail head en route to Narvik Off-take agreements with Standard Bank, Stencor and Tata Steel Project finance in place Fully permitted |
| Northern Iron Ltd | 577 (Resources & Reserves) | 32 | 578 | Northern Norway | Miner ASX:NFE | <ul style="list-style-type: none"> NFE negotiating long life off-take with OMH subsidiary OMH own 16% of NFE |
| LKAB | | | | Northern Sweden | Major Miner | <ul style="list-style-type: none"> International high-tech minerals group One of the world's leading producers of upgraded iron ore products |

Table updated 24 March 2011

www.kirunairon.com

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

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.