



ASX Announcement / Media Release
13 May 2011

Fast Facts

ASX Code: SCR
 SCRO

Capital Structure

Shares on issue: 65.87m
 Options on issue: 66.45m (ex 20c – 75c)
 Market cap: \$40.84m (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

Manganese
 Gold
 Copper
 Copper-gold
 Copper-lead-zinc

Kiruna Iron Project Update

By Amanda Arrowsmith, Exploration Manager

- Highly encouraging re-assay results from 573 historical samples with a peak grade of 67.6% iron – updated JORC inferred iron resource scheduled for July 2011
- Rakkurijärvi-Discovery Zone distribution of iron in re-assayed samples summarised as follows:

Iron Grade	No. of Samples
> than 60%	111
> than 50%	157
> than 40%	126
> than 30%	161
< than 30%	18

- Highly encouraging copper results received from re-assay of same 573 historical samples with peak grade of 4.2% copper
- Rakkurijärvi-Discovery Zone distribution of copper in re-assayed samples summarised as follows:

Copper Grade	No. of Samples
> than 4%	1
> than 3%	6
> than 2%	39
> than 1%	116
< than 1%	411

- Phase I drilling program more than 70% complete with 7200m having been drilled to date.
- Four diamond drill rigs currently operating at Laukkujärvi, Rakkurijoki, Puoltsa and Renhagen
- Vieto Prospect – 219 samples returned (nil pending) with best intervals being 44.3m @ 32.84% iron (exploration hole VIE11003) and 61m @ 40% iron (twin hole VIE11005) – 1 hole remains to be drilled from Phase I
- Sautusvaara Prospect – 11 samples returned (250 samples pending in lab) with best interval 6.25m @ 32.49% iron – Phase I drilling completed
- Rakkurijärvi Prospect – (8 samples pending in lab from 1 hole) sampling in progress on remaining 5 holes – Phase I drilling completed
- Updated global Kiruna Iron Project JORC inferred mineral resource on target for July 2011

EXPLORING THE SCANDINAVIAN SHIELD

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Scandinavian Resources Ltd (ASX:SCR) is pleased to advise the first batch of re-assay and assay results from the Rakkurijärvi-Discovery Zone, Vieto and Sautusvaara Prospects has been received.

The current JORC inferred mineral resource at the Rakkurijärvi-Discovery Zone is 23Mt @ 31% Fe (refer ASX release dated 15 November 2010). Previous explorers of the Discovery Zone were solely focused on the copper-gold mineralisation thus used an assay method considered unsuitable for determining optimal iron grades. Results from a re-sampling program of 573 historical samples carried out by Scandinavian Resources Ltd from the Rakkurijärvi-Discovery Zone have now been received. A large number of samples from the Discovery Zone returned values greater than 30% iron using a modern XRF assay method. Encouragingly a number of the samples also contained anomalous levels of copper. The Company will utilise this information to prepare an updated JORC inferred iron mineral resource for the Discovery Zone plus a JORC Exploration Target for the copper mineralisation. The focus will remain on expanding the iron resource however it is likely that any future mining scenario may enable credits to be received for any copper by-product.

A total of 1005.90m were drilled at the Vieto Prospect during February and March 2011 including three exploration holes and two twin holes. One exploration hole remains to be drilled and will be drilled during spring. The best intercept to date is from exploration hole VIE11003 which returned 44.3m averaging 32.84% Fe.

The first phase of drilling has also been completed at the Sautusvaara Prospect where five holes were drilled for a total of 1398.9m. Two twin holes were drilled to verify the historic data and three exploration holes were drilled to test new geophysical models. Assay results have been returned for SAU11001 only with the balance due within a month.

Drilling has also recently finished at the Rakkurijärvi prospect where six holes were completed for a total of 1487.7m, which included one twin hole and five exploration holes. Ground conditions were less than favourable affecting the core quality. No assay results have been received to date although the twin hole appeared to have compared well with the historic hole from visual estimates.

A more streamlined process for sampling and assaying recently implemented is expected to result in a faster turnaround time for assay results. Sighter metallurgical test work is in progress for Sautusvaara. The company is on track to deliver a global Kiruna Iron Project JORC inferred mineral resource update in July 2011.

Project	No. Holes	Total length (m)	Comments
Vieto	5 completed	1,005.9m	219 samples submitted to ALS-all assays returned
Sautusvaara	5 completed	1,399.7m	11 samples submitted to ALS-assays returned 250 samples submitted to ALS-awaiting results
Rakkurijärvi	6 completed	1,487.2m	8 samples submitted to ALS-awaiting results Sampling to be completed on 5 remaining holes
Laukkujärvi	16 planned	1711.5m drilled 3,600m planned	8 holes complete, drilling underway on ninth hole
Rakkurijoki	7 planned	991.1m drilled 3,100m planned	3 holes complete, drilling underway on fourth hole
Puoltsa	5-15 planned	396.7m drilled 1,225m planned	1 hole complete, drilling underway on second and third holes
Renhagen	7 planned	208.5m drilled 1,200m planned	1 hole complete, drilling underway on second hole
Harrejaure	3 planned	860m planned	To be drilled with heli-rig in May-June

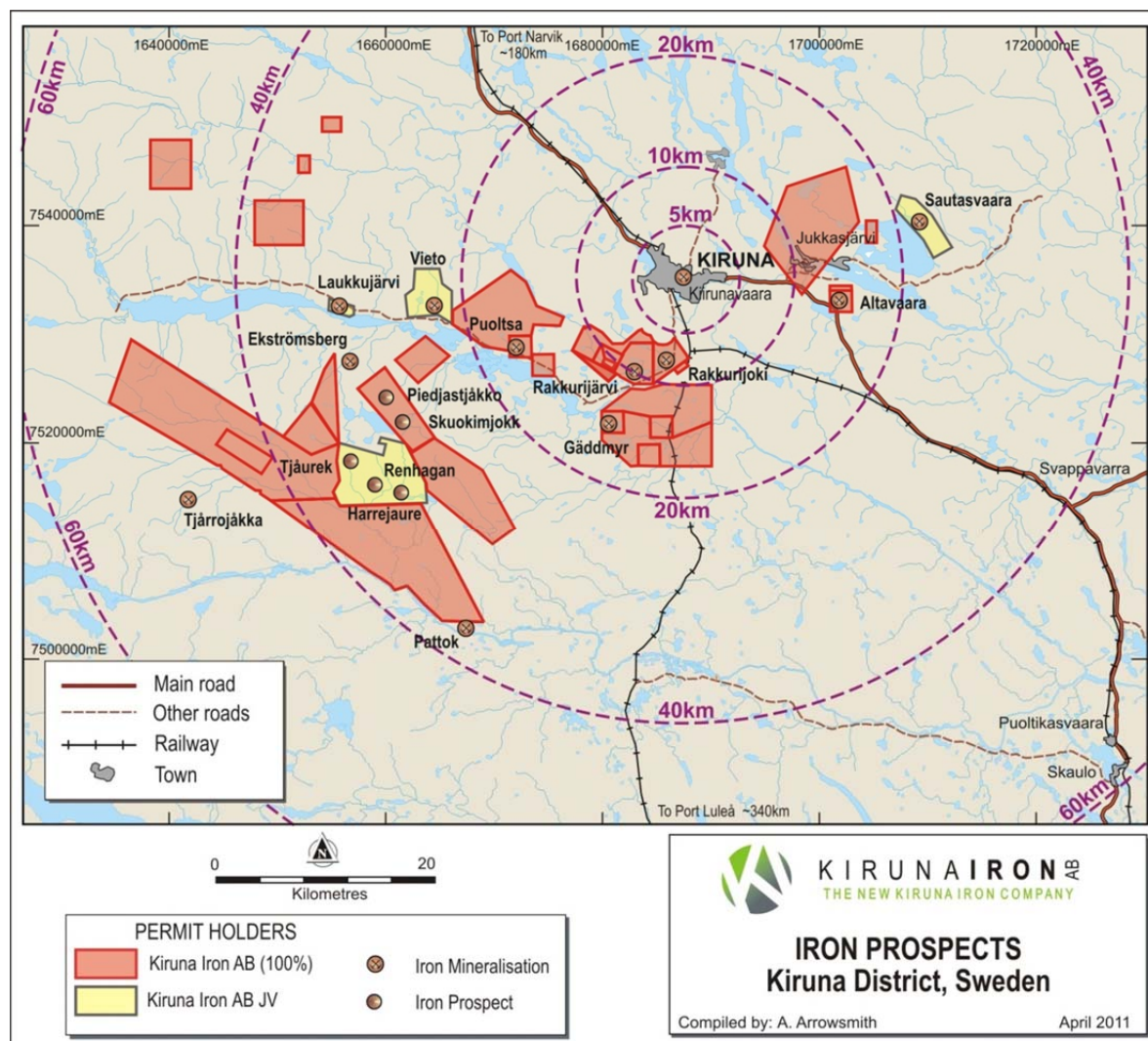


Figure 1: Prospect Summary Map

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 manganese, 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.

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.

For further information please contact:

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Appendix

Hole ID	From	To	Sample Length	Average Fe%
VIE11001	105.4	107.75	2.35	27.74
VIE11001	128.45	132.55	4.1	51.29
VIE11001	144.85	157.9	13.05	33.57
VIE11001	166.8	170	3.2	34.43
VIE11001	176	190	14	14.09
VIE11002	110.75	129.5	18.75	30.64
VIE11002	142.4	148.4	6	22.27
VIE11003	71.6	115.9	44.3	32.84
VIE11003	136.2	155	18.8	26.77
VIE11004	NSA			
VIE11005	52.00	113.40	61.40	40.00
SAU11001	108.75	115	6.25	32.49

Table I: Summary of mineralised intercepts from Vieto and Sautusvaara Prospects received to date
All samples submitted to ALS Perth for XRF analysis