



ASX Announcement / Media Release

8 June 2011

Fast Facts

ASX Code: SCR
SCRO

Capital Structure

Shares on issue: 66.37m
Options on issue: 65.95m (ex 20c – 75c)
Market cap: \$66m (Fully diluted)

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

Acquisition of Strategic Iron Permits by Kiruna Iron AB

- Acquisition of 100% interest in Ekströmsberg and Tjärrojåkka iron projects located 45km from Kiruna, northern Sweden
- Acquisition includes nine iron permits which contain total JORC Exploration Target¹ of 244 - 271Mt in a range of 32 - 52% iron
- Acquisition further leverages Kiruna Iron AB into the world class Kiruna Iron District and is an important step towards becoming a producer of premium quality magnetite concentrate
- JORC Inferred Mineral Resource and JORC Exploration Target update scheduled for July 2011 on completion of Phase I drilling (10,000m), assaying and modelling

Scandinavian Resources Ltd (ASX:SCR) through its wholly owned subsidiary Kiruna Iron AB (KIAB) has acquired a portfolio of nine iron permits from Swedish company Grängesberg Iron AB. The portfolio includes the advanced Ekströmsberg iron project and Tjärrojåkka iron-copper project located 45km from Kiruna in northern Sweden (refer attached location plan).

When combined with KIAB's existing JORC resources and JORC exploration targets the acquisition is consistent with KIAB's long term strategy of mining iron from a number of 50 – 100Mt iron deposits within the world class Kiruna Iron District and transporting a premium quality magnetite concentrate to the Port of Narvik (refer ASX released dated 12 April 2011).

Mr. Olof Forslund Technical Director said, "This is an important strategic transaction for Kiruna Iron AB. Ekströmsberg and Tjärrojåkka are key iron projects because they add additional tonnage to the portfolio and adjoin our existing iron projects which are located close to modern infrastructure at Kiruna. The acquisition also provides us with options in terms of planning future exploration, development and mining activities. This is critical because the flexibility enables us to align our work programs within the parameters set by the community, landowners, Sami, government and environment."

(1) The Ekströmsberg, Tjärrojåkka, Åkosjegge, Pattok and Eustilljåkk prospects which comprise the JORC Exploration Target 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.

EXPLORING THE SCANDINAVIAN SHIELD

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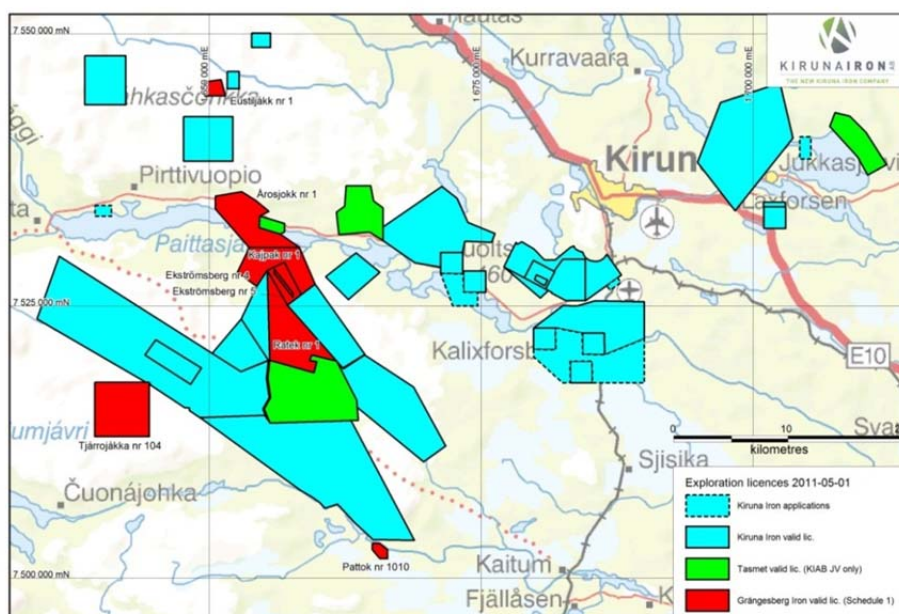
ACN: 132 035 842 | ASX: SCR

The JORC Exploration Target¹ from the Grängesberg Acquisition is comprised of:

Project	Tonnes (Mt)	% Iron
Ekströmsberg	65 - 72	47 - 52
Tjärrojäkka	47 - 52	46 - 51
Åkosjegge	67 - 74	32 - 35
Pattok	61 - 68	41 - 45
Eustilljåkk	4 - 5	34 - 37
Total	244 - 271	32 - 52

The table below does not include results from Phase I drilling (10,000m) which will form the basis for a JORC inferred mineral resource and exploration target update towards the end of July 2011. The pre-Phase I global resource and exploration target summary (incorporating Grängesberg Acquisition) is as follows:

ASX Release Date	Tonnes (Mt)	Exploration Target Tonnes (Mt)	Exploration Target Grade Range (% Fe)	Notes
28 June 2010	98			Tasman JV & Internal
11 October 2010		125 - 150	33 - 37	Tasman JV & Internal
15 November 2010	87.7	25 - 35	25 - 36	Rakkuri Acquisition
8 June 2011		244 - 271	32 - 52	Grängesberg Acquisition
Total	185.7	394 - 456	25 - 52	



Location Plan showing Kiruna Iron AB permit interests (100% and joint venture) within 45km of the modern town of Kiruna, home to Europe's largest iron mine and the most modern underground iron mine in the world. The Åkosjegge deposit is located some 200km south, and is not shown on the map.

The consideration comprises the issue of 8.2 million fully paid ordinary shares in Scandinavian Resources Ltd, a USD2 million payment and a 1% NSR on future production. The cash component, to be funded from existing cash reserves and existing facilities, is payable in three tranches: USD500,000 within 14 days, USD750,000 by 15 August 2011 and USD750,000 by 15 November 2011. The shares will be issued prior to 30 June 2011 and will be escrowed until 15 August 2011 whereupon fifty per cent will remain in escrow until 15 November 2011. No shareholder meetings will be required to complete the transaction. The transaction will be effected through the acquisition of 100% of the issued capital in a wholly owned Swedish incorporated subsidiary of Grängesberg Iron AB which owns a 100% unencumbered interest in the permits.

Sale of the permits by GIAB allows it to focus on reopening the historic Grängesberg iron mine in southern Sweden and completing an IPO during 2011 (refer attached summary of GIAB).

Summary

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).
- Technical Director Mr. Olof Forslund was previously Regional Manager of the Geological Survey of Sweden’s Mineral Resources Information Office in Malå, Sweden. Deputy General Manager (as of 1 July 2011) will be Mrs Christina Lundmark, current Head of Division Mineral Information for the Geological Survey of 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 and www.kirunairon.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.

The information in this document that relates to JORC Exploration Targets is based on information reviewed by 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.



GRÄNGESBERG I R O N

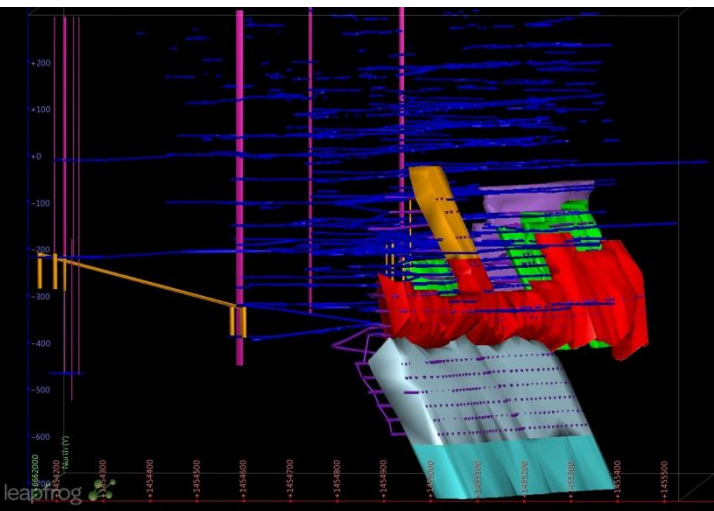


Grängesberg Iron AB - overview

- Swedish mining company
- Re-opening the historical Grängesberg iron ore mine
- Mineral resources for more than 25 years of production (2.5 Mtpa of iron ore products)
- Excellent infrastructure situation – mine, rail, port
- Close to European and EMEA markets
- Mine project currently in PFS stage
- Plans for an IPO during 2011



Grängesberg is situated 190 km from the Swedish capital of Stockholm.



3D-model of currently classified mineral resources, existing underground, and planned new infrastructure.

Preparations for mining concession and environmental permit applications are currently on-going.

The Grängesberg mine project

Grängesberg, the third largest iron ore mine in Sweden until closure in 1989 due to the market conditions and owner policies in the 1980s. However, significant mineral resources exist.

Preliminary figures from the on-going Pre-Feasibility Study comprise Indicated resources of 115.2 million tonnes, at 40,2% Fe and a further 33.1 million tonnes of Inferred resources at 45,2% Fe.

The deposit is open at depth, with a tremendous potential. The Grängesberg deposit, is situated in the mineral-rich Bergslagen area in south-central Sweden. Existing goods railway from the mine, 250 km down to the Port of Oxelösund, with capacity for small Panamax vessels, provides an unique infrastructure situation.