



ASX Announcement / Media Release
13 October 2011

Fast Facts

ASX Code: SCR
SCRO

Capital Structure

Shares on issue: 80.53m
Options on issue: 59.99m (ex 20c – 75c)
Market cap: \$24.16m (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

Canaccord Genuity Ltd and Pareto Securities AS Mandated as Financial Advisers to Kiruna Iron

- Canaccord Genuity and Pareto Securities appointed as financial advisors to Kiruna Iron
- Mandate to assist in funding the development of Kiruna Iron
- SCR shareholders to be provided with fair offer to participate in any Kiruna Iron financing in accordance with ASX Listing Rules
- SCR shareholders retain 100% interest in gold and base metals portfolio

The primary business of Scandinavian Resources Ltd (ASX:SCR) is to incubate a highly prospective portfolio of minerals projects in Sweden and Norway covering gold, copper, lead, zinc and iron (www.scandinavianresources.com); currently the most advanced project is the Kiruna Iron Project located 1,200 km north of Stockholm in northern Sweden.

The aim for the Kiruna Iron Project is to produce a premium quality magnetite concentrate that is exported to customers in Europe, the Middle East and Far East via both the existing modern open access Swedish and Norwegian rail networks and the modern port facilities at Narvik, Norway and Lulea, Sweden.

The Kiruna Iron Project is located on the doorstep of Kiruna, the centre of the Scandinavian mining industry and home to Europe's largest iron mine and the world's most modern underground iron mine, LKAB's 2Bt Luossavaara-Kiirunavaara mine. Kiruna is currently undergoing a transformation as the City prepares to move a large part of its buildings and infrastructure to cater for LKAB's future mining activities (refer location maps).

Global investment banks Canaccord Genuity Limited and Pareto Securities AS have now been mandated Joint Lead Managers to secure the capital required to continue growing the Kiruna Iron Project.

Canaccord Genuity is publicly listed on Toronto and London exchanges with a market capitalisation of USD1.2 Billion. It has capital market operations in Canada, the United States and China. It is in a strong financial position with USD954 Million in cash and cash equivalents, it has completed 650 financings since 2010 worth over USD45 Billion including 171 mining financings worth over \$8.6 Billion.

EXPLORING THE SCANDINAVIAN SHIELD

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ACN: 132 035 842 | ASX: SCR

Pareto Securities AS is an independent full service investment bank, with ~380 employees located in offices across Norway, as well as in Stockholm, Malmö, New York and Singapore. It is part of the Pareto Group which also provides services such as shipbroking, project financing and asset management. Pareto Securities is #1 ranked manager of IPOs and listings on Oslo Børs having managed ~70 IPOs and listings since 2005, corresponding to ~40% market share. Pareto Securities recently acquired the Swedish investment banking arm of the Öhman group, which will further strengthen Pareto Securities' presence and placing power in the Nordic region.

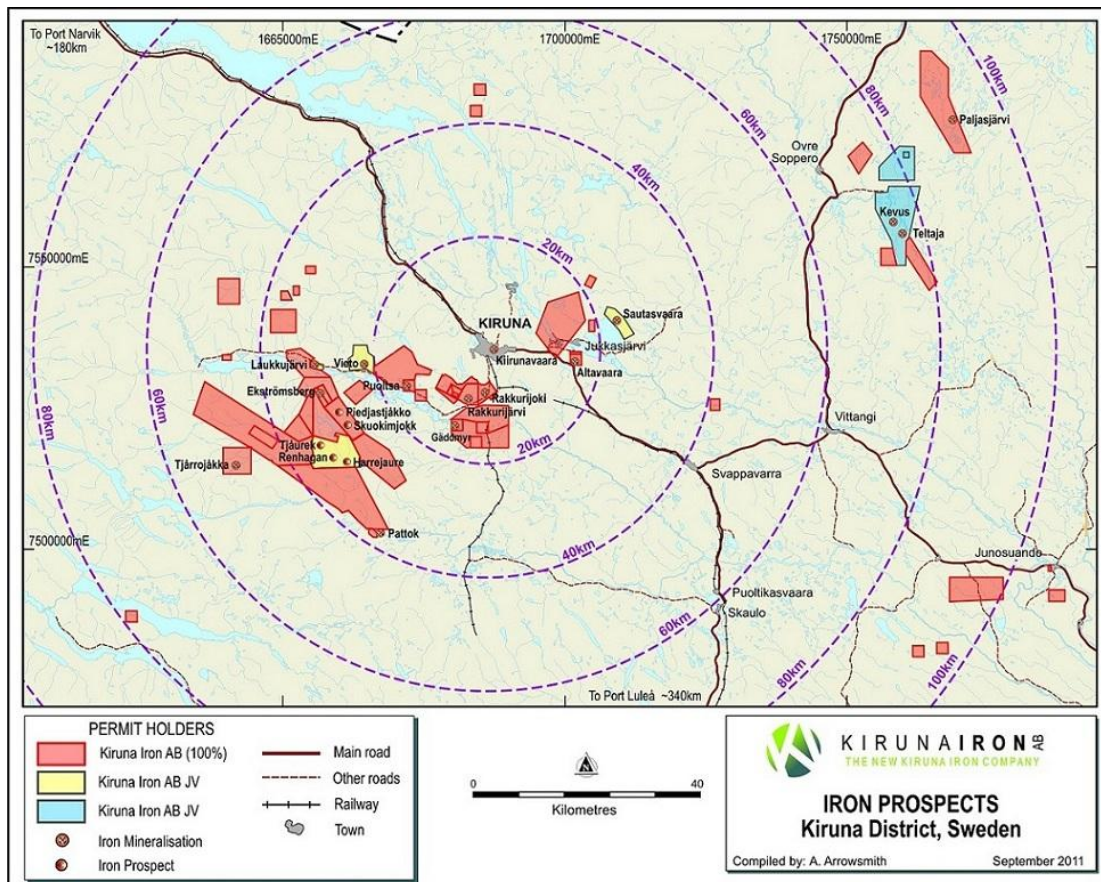
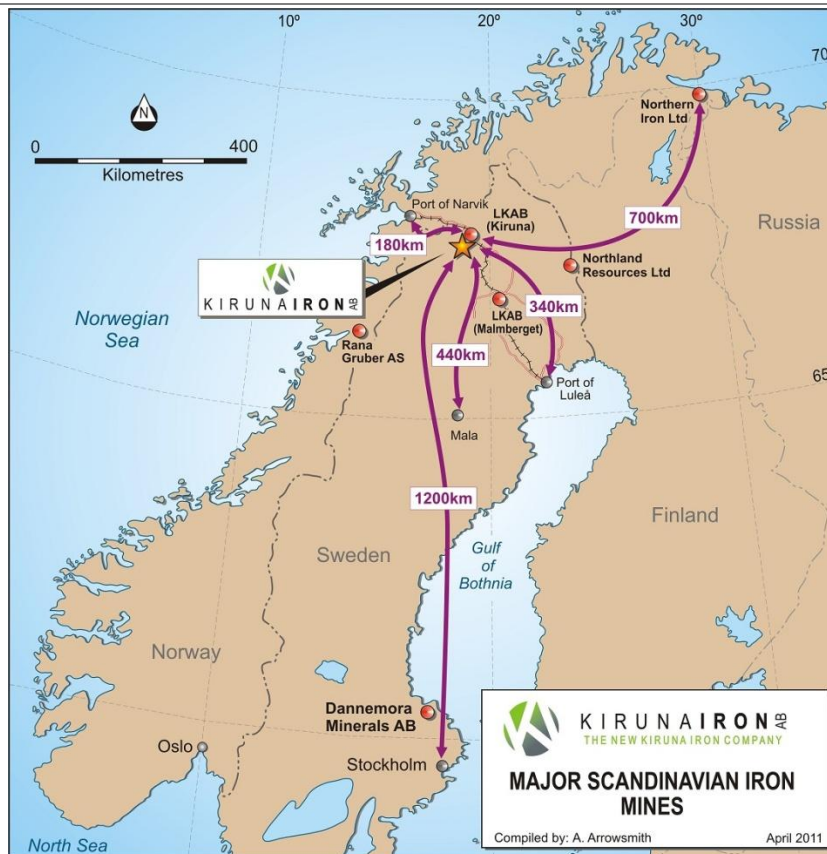
Scandinavian Resources Ltd (registered in Australia) owns 100% of Scandinavian Resources AB (registered in Sweden) which in turn owns 100% of Kiruna Iron AB (registered in Sweden).

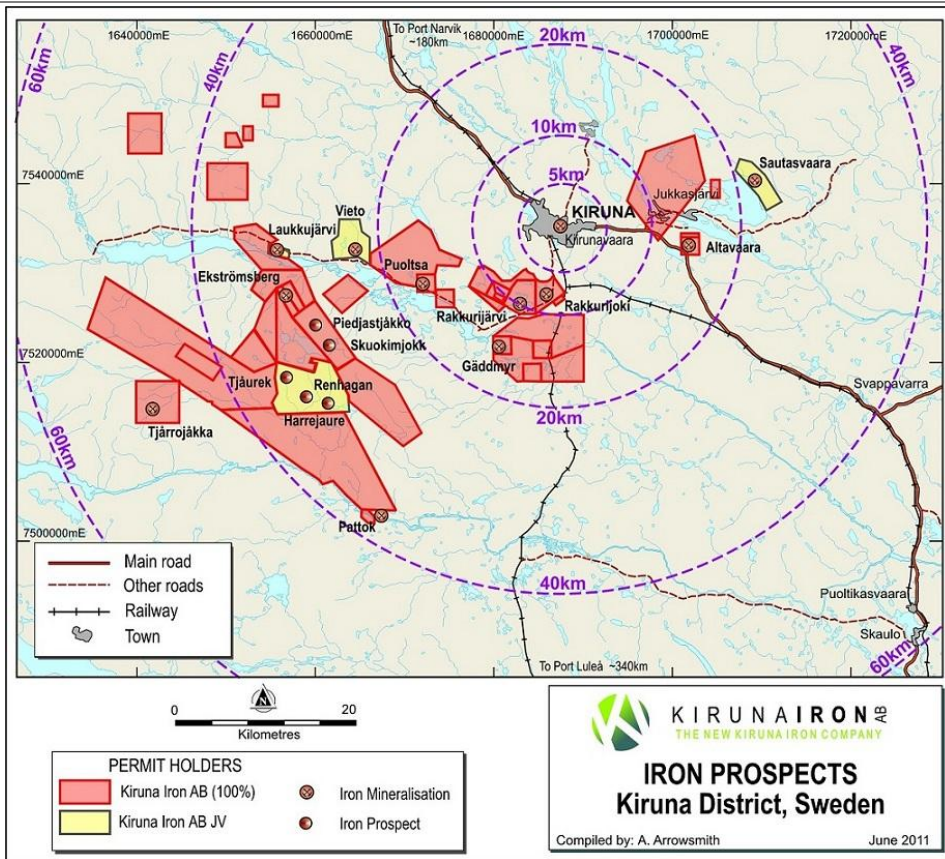
The intention is to fund development of the Kiruna Iron Project within Kiruna Iron AB (or nominee). It is also the Board's present intention for Kiruna Iron AB (or its nominee) to conduct an initial public offer and apply for quotation on a recognised foreign stock exchange within the short to medium term¹. In accordance with the ASX Listing Rule 11.4.1(a), existing Scandinavian Resources Ltd shareholders will be provided with a fair offer to participate in any fund raising on the same terms as the incoming parties. The Company will liaise with ASX in respect of its compliance with ASX Listing Rule 11.4.1. Funds will be allocated towards exploration at the Kiruna Iron Project, settlement of project acquisition payments, debt repayments, corporate costs and working capital.

Scandinavian Resources will continue to incubate additional projects within its existing pipeline portfolio. Funding for the incubation process will primarily come from options required to be exercised prior to 31 October 2011, options due to be exercised during 2012 and the repayment over time of 100% of the intercompany loans and payments made by Scandinavian Resources Ltd/AB on behalf of Kiruna Iron AB.

As part of the Kiruna Iron Project incubation process Scandinavian Resources has in the last 18 months entered into agreements with Anglo American, Rio Tinto, Boliden, Tasman Metals, Grängesberg Iron, Canaccord Genuity and Pareto Securities. This is considered a model template for the future development of projects currently within Scandinavian Resources' incubation portfolio.

¹ As stated, this is the Board's present intention and there is no guarantee that Kiruna Iron AB (or its nominee) will proceed with an IPO. However, the Company will keep the market informed of any developments in this respect.





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).
- 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.

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