



ASX Announcement / Media Release

29 July 2011

## JORC Resources Significantly Exceed Targets

- 412 Mt @ 39% Fe JORC Resource
- 150 – 230 Mt @ 30 – 40% Fe JORC Exploration Target<sup>1</sup>
- 15Mt @ 0.46% Cu JORC Resource
- Updated global JORC Resource scheduled for Q4 2011
- Successful exploration, joint venture and exploration strategy firmly entrenches Scandinavian Resources Limited in the world class Kiruna Iron District

Scandinavian Resources Ltd (ASX:SCR) and wholly owned subsidiary Kiruna Iron AB advise that the updated global JORC compliant mineral resource statement (Indicated & Inferred as detailed in Appendix A) for the Kiruna Iron Project, located in northern Sweden is:

412.1 Mt @ 39.9% Fe

This global JORC mineral resource incorporates the Rakkurijärvi, Rakkurijoki, Discovery Zone, Tributary Zone, Ekströmsberg, Tjärrojåkka, Vieto, Sautusvaara and Pattok prospects.

The updated global JORC compliant Exploration Target for the Kiruna Iron Project is:

150 – 230 Mt @ 30 – 40% Fe<sup>1</sup>

The Kiruna Iron Project also includes a JORC compliant inferred copper resources located within the Tjärrojåkka and Discovery Prospects of:

15.9 Mt @ 0.46% Cu

An Iron Resource Table, Iron Exploration Target Table and a Copper-Gold Resource Table is within Appendix A, B and C.

<sup>1</sup> The JORC Exploration Targets 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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#### Fast Facts

ASX Code: SCR  
SCRO

#### Capital Structure

Shares on issue: 74.8m  
Options on issue: 65.7m (ex 20c – 75c)  
Market cap: \$29.9m (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

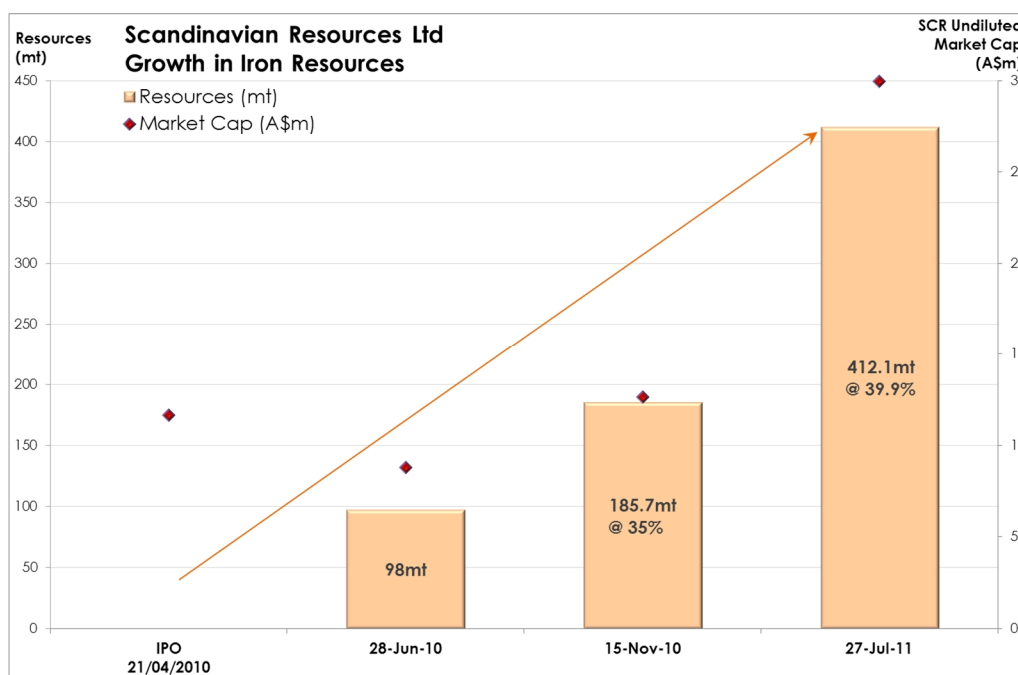
Lake Embrace Copper-lead-zinc

#### Project Pipeline

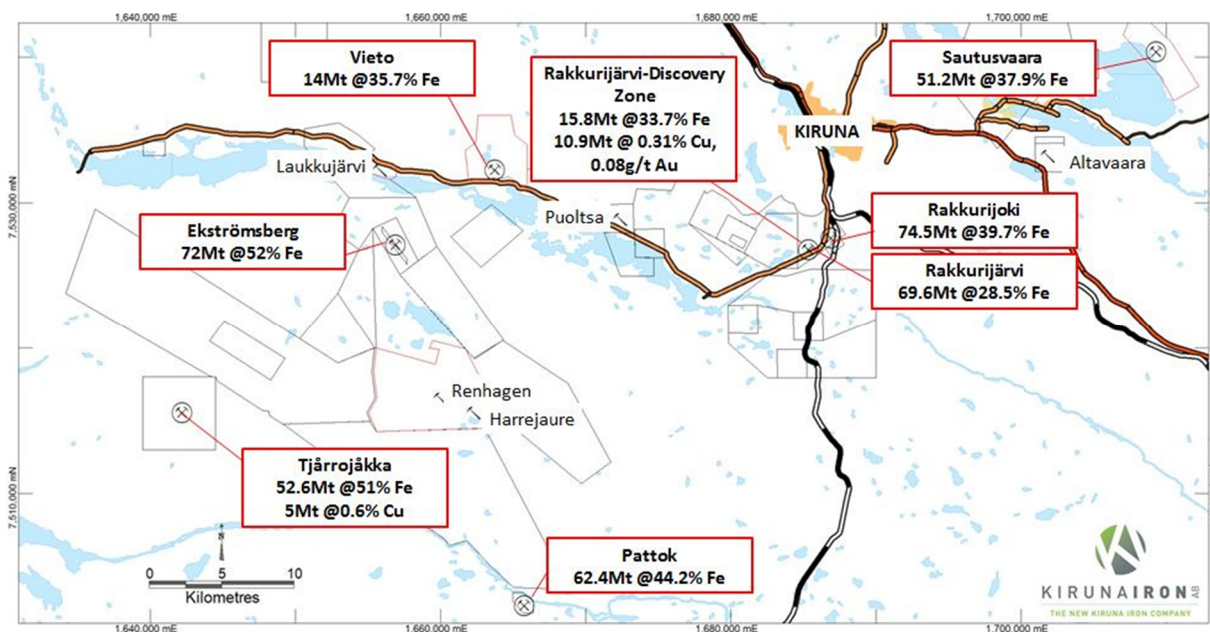
##### Commodities

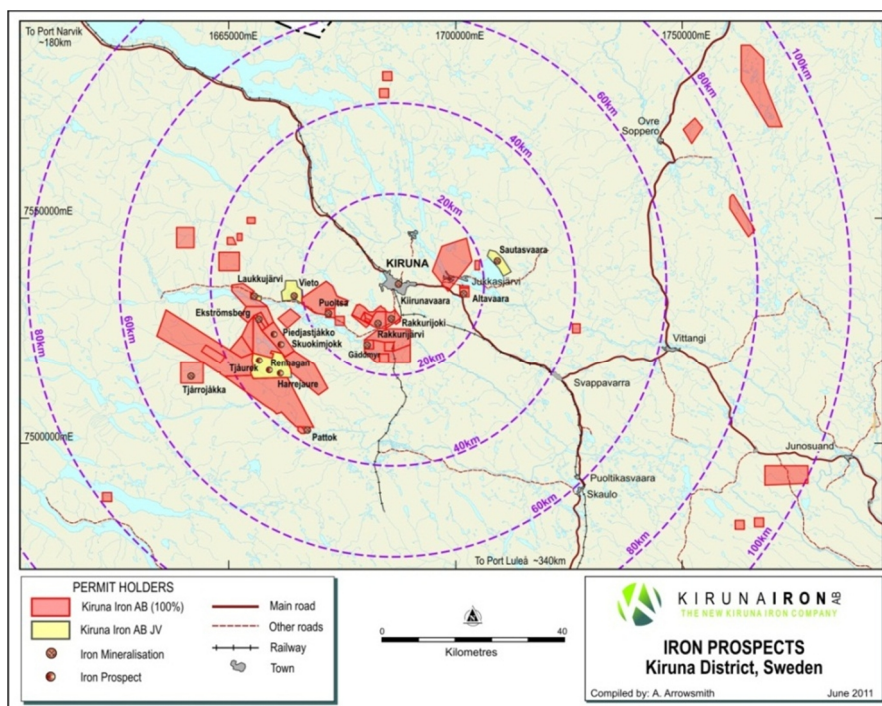
Gold  
Copper  
Copper-gold  
Copper-lead-zinc

Mr Olof Forslund, Technical Director said, "I am proud of what the Exploration Team has achieved in such a short time. Our Kiruna Iron prospects are similar to other Swedish iron deposits that have been developed into iron mines. In terms of their size, grade and geometry the typical iron deposit is grading 30-40% iron, steeply dipping and when processed produces a premium quality concentrate. I'm looking forward to receiving more iron assays and test work in the coming months and an updated resource statement later in 2011. Importantly the resources are located within 50km of the largest iron mine in Europe and are extremely well located with regard to infrastructure meaning rail, power and services. For example the Rakkurijoki project is 100m from a major road, less than 1km from rail and 6km from Kiruna."



Mr Damian Hicks, Chairman said, "412Mt at 39% iron is a strong starting point for Scandinavian Resources. The Exploration Team have done a fantastic job building this resource base since the IPO in April 2010. Earlier this year we set a goal of 200-250Mt for the July 2011 update however successful exploration together with increasing joint venture interests and the recent acquisition have all contributed to this 412Mt resource. The strategy is to aggregate a meaningful land position through acquisition, application and joint venture in a world class iron province and thereafter convert iron deposits with minimal historic drilling into JORC resources and ultimately mining assets."





The map above the tenure position of the Kiruna Iron Project, which is centred on the town of Kiruna (population 18,154) and Europe’s largest iron mine, the 2Bt Kiruna mine owned by the Swedish Government controlled company LKAB. This mine has been producing continuously for 100 years and during that time a highly professional core base of skills and services has been established in this major mining town.

The Kiruna Iron Project is extremely well located with regard to infrastructure (rail, power and services) with the Rakkurijoki project located approximately 100m from a major road, <1km from rail and 6km from Kiruna.

The Project is located 180km from the Norwegian deep water port of Narvik (ice free all year) and 340km from the Swedish port of Lulea. Shipments of premium quality iron pellets that depart Narvik are generally destined for the Middle East while pellets departing from Lulea find their way into Europe.



## Appendix A

JORC Compliant Indicated Mineral Resource Table\*

Prospect	Mt	Fe (%)	P (%)	S (%)
Sautusvaara South	32.0	37.4	0.06	1.63
Sautusvaara North	11.4	39.7	0.09	0.44
Ekströmsberg	30.4	52.0	Unavailable	Unavailable
<b>TOTAL</b>	<b>73.8</b>	<b>43.0</b>	<b>-</b>	<b>-</b>

JORC Compliant Inferred Mineral Resource Table\*

Prospect	Mt	Fe (%)	P (%)	S (%)
Rakkurijärvi	69.6	28.5	0.07	0.93
Rakkurijoki	74.5	39.7	0.28	0.89
Discovery Zone	10.9	38.7	0.05	0.95
Tributary Zone	4.9	28.6	0.05	1.08
Sautusvaara South	6.8	26.6	0.09	1.82
Sautusvaara North	1.0	44.8	0.05	0.46
Vieto	14.0	35.7	0.14	1.46
Ekströmsberg	41.6	52.0	Unavailable	Unavailable
Tjärrojäkka	52.6	51.0	Unavailable	Unavailable
Pattok	62.4	44.2	1.96	Unavailable
<b>TOTAL</b>	<b>338.3</b>	<b>39.0</b>	<b>-</b>	<b>-</b>

Total	Mt	Fe (%)
Indicated & Inferred	412.1	39.9

\*A cut-off grade of 20% Fe has been applied

*Competent Persons Statement – Rakkurijärvi, Rakkurijoki, Discovery and Tributary Zone Mineral Resources*

The mineral resource estimate for Rakkurijärvi, Rakkurijoki, Discovery and Tributary Zone is effective from 27 July 2011 and has been prepared by Mr Thomas Lindholm, MSc of GeoVista AB, Luleå, Sweden acting as an independent "Competent Person". Mr Lindholm is a fellow member of the Australasian Institute of Mining and Metallurgy (Member 230476). Mineral resources of the Rakkuri iron deposits have been prepared and categorised for reporting purposes by Mr Lindholm, following the guidelines of the JORC Code. 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.

*Competent Persons Statement – Ekströmsberg, Tjärrojäkka, and Pattok Mineral Resources*

The mineral resource estimate for Ekströmsberg, Tjärrojäkka, and Pattok is effective from 22 July 2011 and has been prepared by Dr Christopher Wheatley of Behre Dolbear International Ltd, UK, acting as an independent "Competent Person". Dr Wheatley is a member of the Institute of Materials Minerals and Mining (Member 450553). Mineral resources of the Ekströmsberg, Tjärrojäkka, and Pattok have been prepared and categorised for reporting purposes by Dr Wheatley, following the guidelines of the JORC Code. Dr Wheatley 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. Dr Wheatley consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

*Competent Persons Statement – Vieto and Sautusvaara Mineral Resources*

The mineral resource estimate for Vieto and Sautusvaara is effective from 26 July 2011 and has been prepared by Mr Geoffrey Reed of Minarco-MineConsult acting as an independent "Competent Person". Mr Geoffrey Reed is a Member of the Australasian Institute of Mining and Metallurgy (CP)(Member 205422). Mineral resources of the Vieto, Sautusvaara have been prepared and categorised for reporting purposes by Mr Reed, following the guidelines of the JORC Code. Mr Reed 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 Reed consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The above resource table includes a:

- Scandinavian Resources Ltd owns a 75% interest in the Tasman Joint venture properties (Vieto and Sautusvaara) and has the opportunity to increase that interest to 90% after funding a feasibility study on one of the deposits. The above table contains 100% of the Tasman Joint Venture resources.
- 100% interest in the projects (Rakkurijärvi, Rakkurijoki, Discovery and Tributary Zone ) acquired from Anglo America and Rio Tinto announced to ASX on 15 November 2010 which is scheduled to settle on or before 6 December 2011; and a
- 100% interest in the projects (Ekströmsberg, Tjärrojäkka, and Pattok) acquired from Grängesberg Iron AB announced to ASX on 8 June 2011 which is subject to settlement in two remaining tranches on 15 August 2011 and 15 November 2011.

## Appendix B

## JORC Compliant Exploration Targets Table

Prospect	Tonnage Range (Mt)	Grade Range (% Fe)
Puoltsa	30-40	33-36
Harrejaure	10-20	40-45
Laukkujärvi	4-8	30-35
Renhagen	20-30	30-35
Altavaara	10-20	23-30
Paljasjärvi	40-60	30-40
Leppäjoki	5-8	35-45
Tjäorika	15-30	45-55
Åkosjegge	10-15	23-30
<b>TOTAL</b>	<b>150-230</b>	<b>30-40</b>

*Competent Persons Statement – Exploration Targets*

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

## Appendix C

## JORC Compliant Inferred Mineral Resource Table (Copper &amp; Gold)

Prospect	Tonnes (Mt)	Cu (%)	Au (g/t)
Discovery Zone	10.9	0.31	0.08
Tjärrojäkka	5.0	0.60	N/A
<b>TOTAL</b>	<b>15.9</b>	<b>0.46</b>	<b>-</b>

*Competent Persons Statement – Discovery Zone Mineral Resources*

The mineral resource estimate for Discovery Zone is effective from 27 July 2011 and has been prepared by Mr Thomas Lindholm, MSc of GeoVista AB, Luleå, Sweden acting as an independent “Competent Person”. Mr Lindholm is a fellow member of the Australasian Institute of Mining and Metallurgy (Member 230476). Mineral resources of the Rakkuri iron deposits have been prepared and categorised for reporting purposes by Mr Lindholm, following the guidelines of the JORC Code. 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.

*Competent Persons Statement – Tjärrojäkka Mineral Resources*

The mineral resource estimate for Tjärrojäkka is effective from 22 July 2011 and has been prepared by Dr Christopher Wheatley of Behre Dolbear International Ltd, UK, acting as an independent “Competent Person”. Dr Wheatley is a member of the Institute of Materials Minerals and Mining (Member 450553). Mineral resources of the Tjärrojäkka have been prepared and categorised for reporting purposes by Dr Wheatley, following the guidelines of the JORC Code. Dr Wheatley 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. Dr Wheatley consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

*Competent Persons Statements – Exploration Results*

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.

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### 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](http://www.scandinavianresources.com) for a detailed summary of the Company's projects.