



## 4<sup>th</sup> Quarter Activities Report 2010/2011 Highlights

By Amanda Arrowsmith, Exploration Manager

### 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  
Manganese  
Gold  
Copper  
Copper-gold  
Copper-lead-zinc

- Kiruna Iron Project
  - Acquisition of Strategic Iron Permits
  - Diamond drilling in progress throughout Quarter
  - Encouraging iron and copper assays received
  - Metallurgical test work in progress
  - Environmental and social impact studies in progress
  - Permitting and planning in progress for Q3 2011
  - Modelling for maiden JORC resource in July
- Precious & Base Metals Pipeline
  - 19 projects within pipeline
  - 4 new gold prospects applied for in Finnmark, Norway
  - Field mapping and sampling completed at five of the seven new Finnmark prospects
  - Geophysical surveys completed at Ankarvattnet and Särksjön
- Mrs Christina Lundmark
  - Joined the Exploration Team on 1 July 2011

The strategy of Scandinavian Resources Ltd (ASX:SCR) is to “incubate” a highly prospective portfolio of iron, gold, PGE and base metals projects in Sweden and Norway. Since listing on ASX in April 2010 the Company has:

- Built a first class team of geoscientists to implement the strategy
- Established a highly prospective gold and base metals pipeline in the Nordland, Troms, Finnmark Counties in Norway and in the Caledonide region on Sweden
- Secured one of the largest landholdings around the largest iron mine in Europe as part of its Kiruna iron Project
- Completed in excess of 15,000m of diamond drilling in the Caledonides and Kiruna in the last twelve months
- Completed multiple ground and air geophysical surveys on the portfolio

### EXPLORING THE SCANDINAVIAN SHIELD

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ACN: 132 035 842 | ASX: SCR

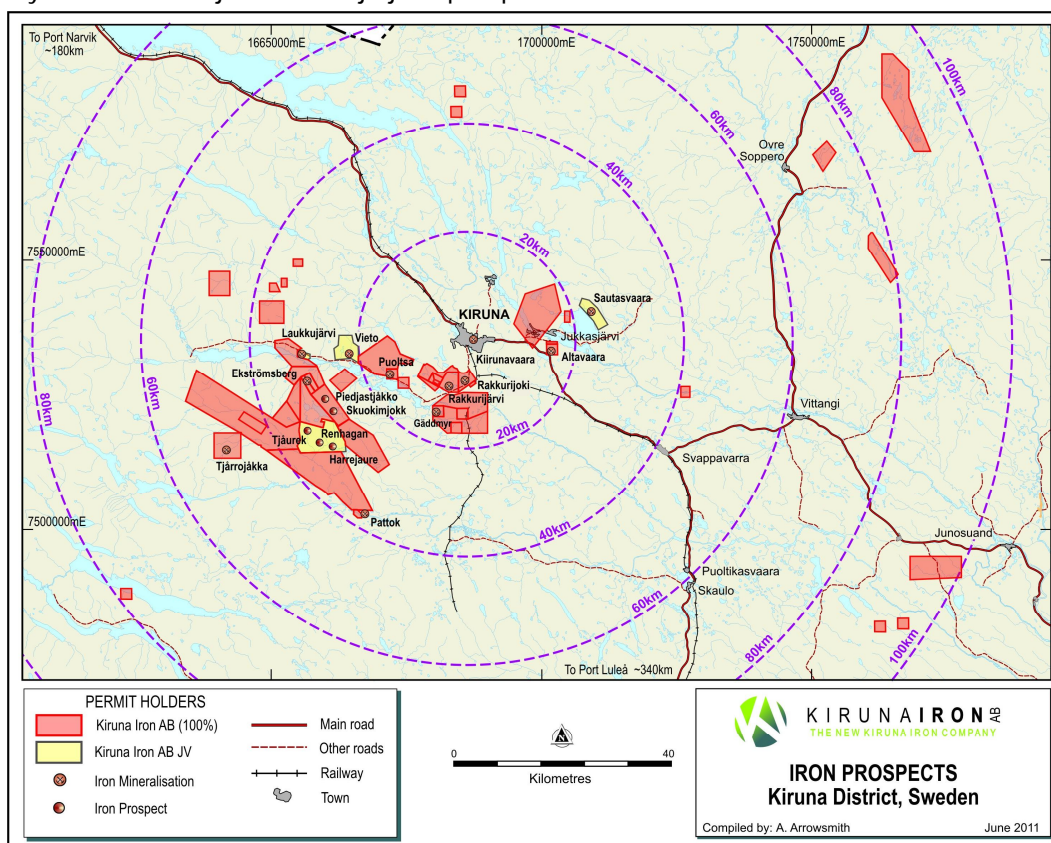
Amanda Arrowsmith, Exploration Manager said, "It has been an incredibly rapid journey for our team of employees and consultants and an amazing amount has been achieved in a short time. I would like to acknowledge the extremely valuable contributions made by my staff and consultants in Sweden and Norway and furthermore the Sami Villages in Troms, Finnmark, the Caledonides and Kiruna that have been supportive of our activities."

### Kiruna Iron Project

All assays that have been interpreted have been released to the ASX during the Quarter. The following is a status table of the work completed at the Kiruna Iron Project:

| Project      | No. Holes    | Total length (m)         | Comments   |
|--------------|--------------|--------------------------|--|
| Vieto        | 5 completed  | 1,005.9m                 | All assays returned  |
| Sautusvaara  | 5 completed  | 1,399.7m                 | All assays returned  |
| Rakkurijärvi | 6 completed  | 1,487.2m                 | All assays returned  |
| Laukkujärvi  | 16 completed | 3293.2m                  | Assays pending for three holes, balance to be logged, sampled and assayed                              |
| Rakkurijoki  | 7 completed  | 2534.75m drilled to date | 7 holes completed, drilling underway on eighth hole<br>Assays returned for five holes, balance pending |
| Puoltsa      | 7 completed  | 1714.1m                  | Assays pending for two holes, balance to be logged, sampled and assayed.                               |
| Renhagen     | 7 completed  | 1235.8m                  | All holes completed. All holes to be logged, sampled and assayed.                                      |
| Harrejaure   | 6 planned    | 1,200m planned           | 4 holes complete, drilling underway on fifth hole  |

Drilling is currently continuing at both the Rakkurijoki and Harrejaure Prospects. Drill permitting for targets to be drilled during the autumn and upcoming winter is also underway and geophysical modelling of other iron prospects continues. Several ground based geophysical studies are scheduled to commence in the coming weeks namely at the Rakkurijärvi and Paljasjärvi prospects.



## Precious &amp; Base Metals Portfolio, Sweden &amp; Norway

Since listing in April 2010 Scandinavian Resources has been developing an extensive portfolio of base and precious metals projects in both Sweden and Norway. The table below provides a brief introduction to each of the projects.

| PROJECT           | COUNTRY | COUNTY   | COMMODITY        | COMMENTS   |
|-------------------|---------|----------|------------------|--|
| Notsynene/Neiden  | Norway  | Finnmark | Iron             | Permits held by Kiruna Iron AB. Targeting Sydvaranger-type iron ore                                    |
| Pasvik            | Norway  | Finnmark | Gold             | Historic gold prospect; diamond drilling returned 14.7g/t Au   |
| Kautokeino        | Norway  | Finnmark | Gold/Copper      | 11 permits targeting Bidjovagge-type copper/gold mineralisation  |
| Kåfjord/Raipas    | Norway  | Finnmark | Copper           | Historic copper prospects where ore was mined at an average grade of 5% Cu                             |
| Fiskarfjellet     | Norway  | Finnmark | Copper           | 4 permits targeting dolomite hosted copper mineralisation  |
| Vilgesrassa       | Norway  | Finnmark | Gold/Copper      | Historic sampling returned 6g/t Au and 5% Cu   |
| Vaddas/Birtavarre | Norway  | Troms    | Copper/Zinc      | 20 permits targeting VMS-type copper/zinc mineralisation from historic workings                        |
| Ringvassøya       | Norway  | Troms    | Gold             | 4 permits targeting high grade gold mineralisation. Historic bedrock sampling returned 37.4g/t Au      |
| Husvika           | Norway  | Nordland | Lead/Zinc        | Small historic deposit grading 24% Zn and 10% Pb   |
| Ravnåsen          | Norway  | Nordland | Lead/Zinc        | Permit targeting historic lead/zinc mineralisation   |
| Bleikvassli       | Norway  | Nordland | Copper/Lead/Zinc | 38 permits surrounding the old Bleikvassli mine which produced 4.9Mt @ 0.2%Cu, 4.2%Zn, 2.5%Pb, 25g/tAg |
| Gjetarfjellet     | Norway  | Nordland | Copper/Lead/Zinc | Outcropping skarn and gossan over 2km  |
| Famnvatnet        | Norway  | Nordland | Copper/Lead/Zinc | VTEM airborne geophysics and diamond drilling completed by SRAB  |
| Øvre Elsvatnet    | Norway  | Nordland | Copper/Lead/Zinc | Outcropping mineralisation returned 4.5%Zn, 1.43%Cu, 7.4g/tAg by SRAB                                  |
|                   |         |          |                  |  |

| PROJECT      | COUNTRY | COUNTY                    | COMMODITY          | COMMENTS  |
|--------------|---------|---------------------------|--------------------|---|
| Daningen     | Sweden  | Västerbotten              | Copper             | Outcropping high grade copper mineralisation returned 4.95%C, 6.55%Cu, 2.26%C, 7.13%Cu by SRAB  |
| Stekenjokk   | Sweden  | Västerbotten<br>/Jämtland | Copper/Lead/Zinc   | Permit located directly along strike from the old Stekenjokk mine which produced 7.1Mt @1.43%Cu, 2.55%Zn, 0.23%Pb, 50g/t Ag, 0.3g/tAu |
| Särksjön     | Sweden  | Jämtland                  | Gold & Base Metals | Outcropping mineralisation returned 42.5g/tAu, 45.2g/tAg, 1.35%Cu, 4.17%Pb, 4.18%Zn by SRAB   |
| Ankarvattnet | Sweden  | Jämtland                  | Copper/Lead/Zinc   | Historic resource of 750,000t @ 0.45%Cu, 5.48%Zn, 0.37%Pb, 17g/tAg, 0.2g/tAu  |
| Våtmyrberget | Sweden  | Västerbotten              | Base Metals        | Outcropping mineralisation returned 4.56%Cu, 32.5g/tAg, 1540ppmW, 0.1g/tAu by SRAB  |

NOTE: All SRAB (Scandinavian Resources AB) results have been announced previously.

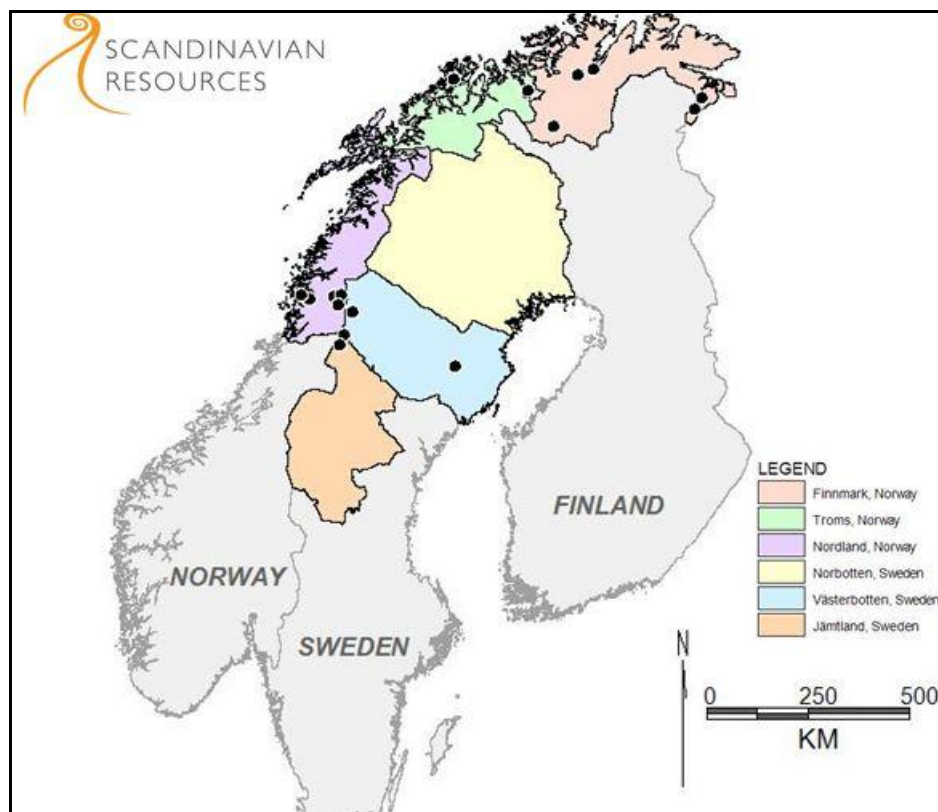
2011 summer field work was initiated at the Särksjön and Ankarvattnet Projects during June where TEM (Transient EM) surveys were completed. The survey at Ankarvattnet was designed to test possible depth and strike extensions to the current mineralisation; preliminary results suggest that the mineralisation is in fact 'closed-off'. The TEM survey at Särksjön was designed to identify any anomalies associated with the small, outcropping mineralisation which returned SAR10005: 42.5g/t Au, 45.2g/t Ag, 1.35% Cu, 4.17% Pb and 4.18% Zn and SAR10006: 46.1g/t Au, 30.6g/t Ag, 0.71% Cu, 3.64% Pb and 4.51% Zn; these samples were collected during the 2010 summer field season. The TEM survey at Särksjön has identified a weak, early-time conductor which is approximately 400 x 300m in size, strikes NW and dips 45° to the SW. The up-dip projection of the conductor onto the surface is almost exactly co-incident with the mineralised outcrop. An IP has now been planned to follow up the TEM anomaly; this survey will commence in August.

A TEM survey has also been planned to test the high-grade copper mineralisation at Daningen and is scheduled to commence in August but is subject to Sami clearance.

During July, summer field work was also initiated at several of the Finnmark Projects where geological mapping and sampling occurred. 83 rock chip samples were collected from the Pasvik, Kautokeino, Kåfjord, Raipas, and Fiskarfjellet Projects; the samples have been dispatched to ALS Laboratories in Piteå, Sweden with results expected during August.

The Ringvassøya Project, located 70km north of the city of Tromsø, Norway will be visited by geological staff during August where deep till sampling will occur over areas of gold anomalism; mapping and rock chip sampling will also occur.

A comprehensive update discussing the 'pipeline projects' in more detail and the results of the 83 rock chip samples will be released during August.



Location of 'Pipeline Projects'

## ASX Releases during the 4th Quarter

|            |   |
|------------|---|
| 29/06/2011 | Appendix 3B   |
| 09/06/2011 | Appendix 3B Options Exercised                       |
| 08/06/2011 | Kiruna Iron - Acquisition of Strategic Iron Permits |
| 01/06/2011 | Appendix 3B Options Exercised                       |
| 18/05/2011 | Change of Interests of Substantial Holder from OMH  |
| 17/05/2011 | Appendix 3B Options Exercised                       |
| 11/05/2011 | Kiruna Iron Project Drilling Update                 |
| 06/05/2011 | Appendix 3B Options Exercised                       |
| 02/05/2011 | 3rd Quarter Reports                                 |
| 27/04/2011 | Appendix 3B Options Exercised                       |
| 18/04/2011 | Key Appointment                                     |
| 18/04/2011 | Kiruna Iron Drilling Update                         |
| 14/04/2011 | Appendix 3B Options Exercised                       |
| 12/04/2011 | Kiruna Iron Strategy Update                         |
| 08/04/2011 | Appendix 3B Options Exercised                       |
| 01/04/2011 | Iron Transport Seminar, Narvik Norway               |

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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.