



ASX Announcement / Media Release

6 September 2011

Fast Facts

ASX Code: SCR
SCRO

Capital Structure

Shares on issue: 78.16m
Options on issue: 60.86m (ex 20c – 75c)
Market cap: \$28.14m (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

Cooperation Agreement with Boliden

- Cooperation agreement with Boliden Mineral AB allows Kiruna Iron AB (KIAB) to earn 100% interest in Lannavaara iron rights
- Lannavaara contains a 74 – 92Mt @ 34 – 41% Fe JORC Exploration Target¹ last drilled in the 1970's
- Lannavaara adjoins KIAB's highest priority greenfields iron exploration project called Paljasjärvi and together the two prospects form the "Lannavaara Hub" – refer Location Map on page 3
- The global JORC Exploration Target for the Kiruna Iron Project is 218 – 323Mt @ 32 – 39% Fe^{1,2} (updated today)
- The global JORC Resource for the Kiruna Iron Project is 412Mt @ 39% Fe (reported to ASX on 29 July 2011)
- Agreement further consolidates KIAB into Europe's #1 iron district

Scandinavian Resources Ltd (ASX:SCR) wholly owned subsidiary Kiruna Iron AB has entered into a cooperation agreement with Boliden Mineral AB over the Lannavaara Permits located approximately 70km north-east of Kiruna, in the Norrbotten Region of northern Sweden (refer Location Maps on pages 3 and 4).

Boliden is a leading European metals company; the main metals are zinc and copper. The operations are conducted in two Business Areas: Mines and Smelters. Boliden has approximately 4,400 employees and the turnover amounts to approximately SEK 37 billion annually.

Kiruna Iron is the largest permit holder in the Kiruna District, Northern Sweden, controls the majority of the District's historical iron deposits and is striving to become a producer of premium quality iron concentrate.

¹ 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 and it is uncertain if further interpretation will result in the determination of a JORC Mineral Resource.

² On the basis that KIAB earns a 100% interest in the iron rights in accordance with the Cooperation Agreement

EXPLORING THE SCANDINAVIAN SHIELD

Ground Floor, 28 Ord Street, West Perth, Western Australia | P O Box 1668, West Perth, WA 6872, Australia

T: +61 8 9324 1153 F: +61 8 9324 3366 | www.scandinavianresources.com

Facebook: Scandinavian Resources | Twitter: scanres

ACN: 132 035 842 | ASX: SCR

KIAB Technical Director Olof Forslund said, "It is a pleasure indeed to enter into this Agreement with Boliden, as they have a proud history in Sweden. We hope this will be the start of a long term relationship whereby we both have exploration success at Lannavaara. We will soon commence detailed assessment of the historical work completed by the Geological Survey of Sweden prior to planning our own activities."

The Lannavaara Permits contain the Kevus and Teltaja iron deposits discovered in the early 1920's after following up magnetic anomalies in the Lannavaara area of Northern Sweden. Both deposits have been investigated by detailed geophysical surveys as well as seven diamond drill holes into each deposit for a total of 1,500m. This work was carried out by the Geological Survey of Sweden (SGU) in the early 1970's. The interpretation of the geophysical surveys in combination with the results of the diamond drilling led the SGU to declare an inventory of 38.8 Mt at 30% Fe for Kevus and 43 Mt at 43 % Fe for Teltaja. It is considered reasonable that JORC Exploration Targets for the two deposits would be for Kevus 35-45 Mt @ 28-35% Fe and for Teltaja 39-47 Mt @ 40-48% Fe.

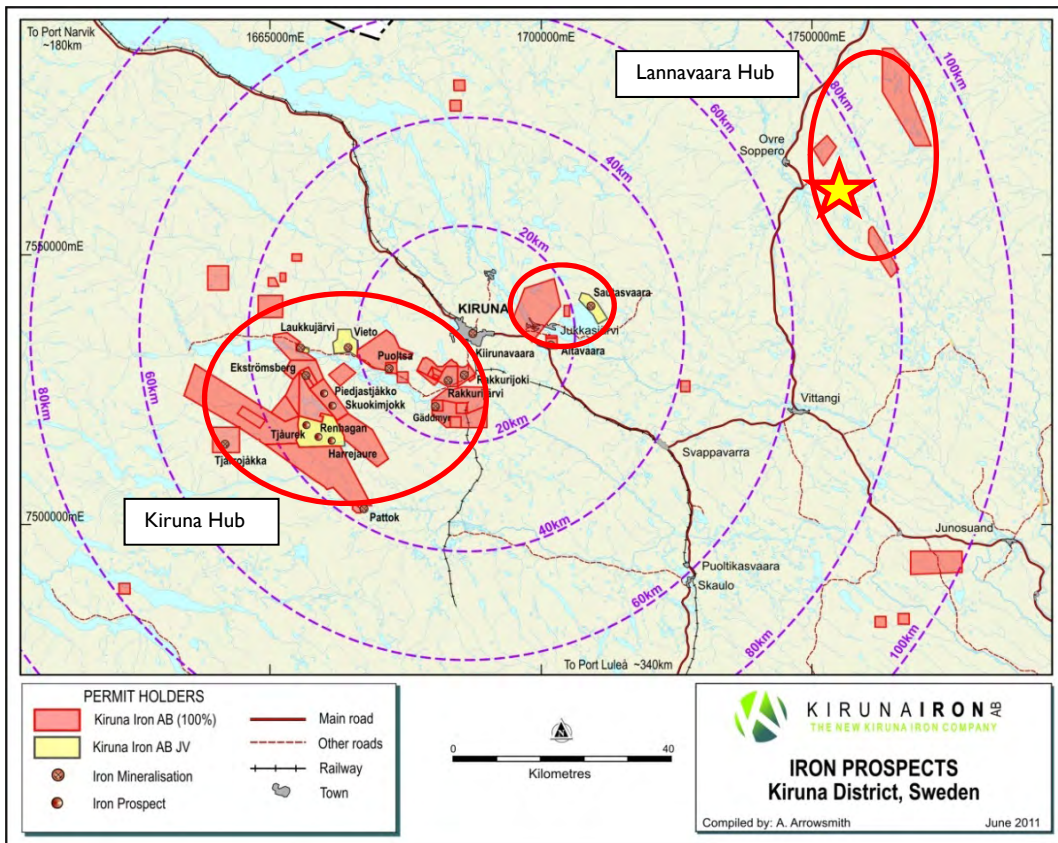
The Lannavaara Permits adjoin KIAB's Paljasjärvi Project which is considered the Company's most prospective greenfields exploration asset. KIAB Exploration Manager Amanda Arrowsmith said, "The Paljasjärvi iron prospect was first explored by Jonson & Co in 1963 where they completed diamond drilling and in 1987 STC Mineral AB reported a deposit of 45Mt @ 40% Fe to a depth of 300m³. The Paljasjärvi iron deposit is characterised by a 3.5km long magnetic anomaly and is one of the most prominent magnetic anomalies in the Kiruna district. The potential for the Paljasjärvi deposit to host significant tonnages of iron ore is considered high and we are looking forward to receiving results of the ground geophysical surveys which are to be completed in September and diamond drilling in winter."

The purpose of the agreement is to explore the Lannavaara Permits for the mutual benefit of Boliden Mineral AB (Boliden) and Kiruna Iron AB (KIAB) based on the fact that Boliden is focussed on zinc, copper, gold, silver and lead and KIAB is focussed on iron. The cooperation will enable the Parties to minimise costs for exploration of the Lannavaara Permits and to share the results of exploration. The long term intention of the cooperation, should the Lannavaara Permits prove feasible to exploit, based on the result of the exploration, is that KIAB shall exploit, commercialise and benefit from the mining of iron exclusively and Boliden shall exploit, commercialise and benefit from the mining of other metals.

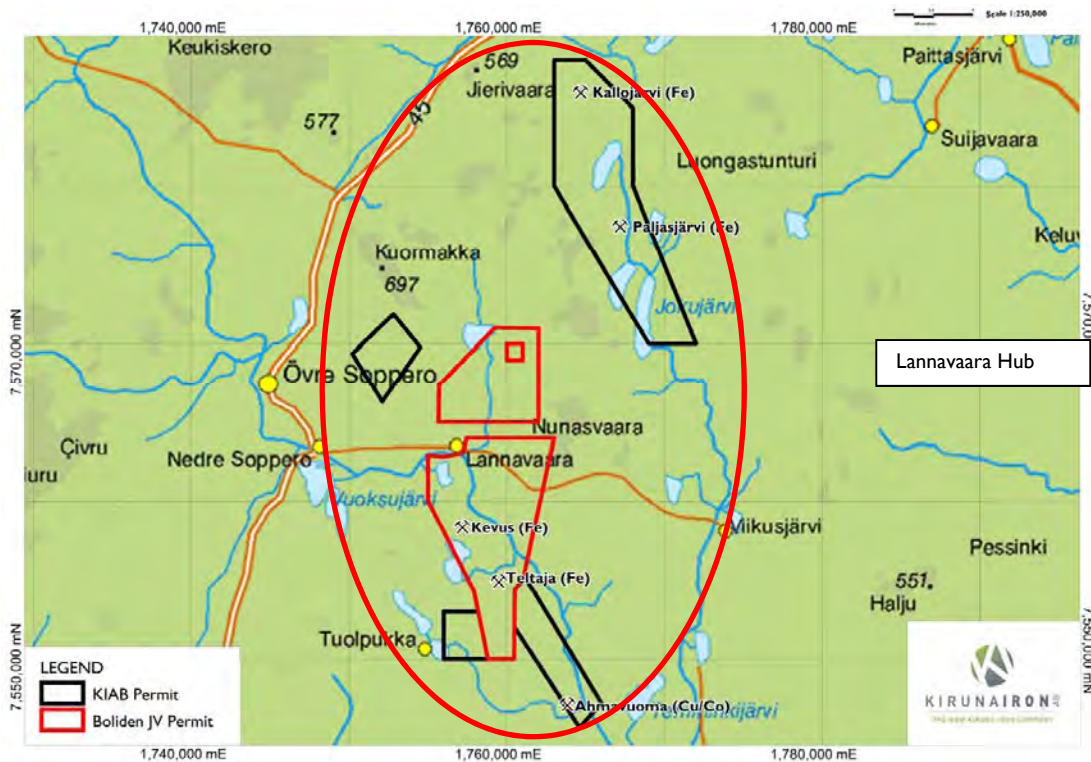
In consideration of the exploration right, KIAB undertakes to invest USD1.5M in exploration expenditure on the Lannavaara Permits within five years. If KIAB meets this minimum commitment it will have earned a 100% interest in the iron (only) rights. If the minimum commitment is not met, KIAB will not have earned any interest at all. After the minimum commitment is met, KIAB must invest USD1M in exploration expenditure every three years to maintain its interest. If the continuing commitment is not met KIAB will not have earned any interest in the iron rights except in relation to exploitation concessions granted by the expiry of the last period or subsequently granted as a result of an application made within that time. KIAB shall provide to Boliden, free of charge, any and all exploration data it collects with respect to the Lannavaara Permits. A further agreement will be entered into if either Boliden or KIAB wish to proceed to mining.

Please refer to the Location Maps that follow.

³ This is considered a JORC Exploration Target and is included in the global JORC Exploration Target for the Kiruna Iron Project



Location map showing Kiruna Iron AB's Kiruna Hub and Lannavaara Hub in the red circles; the yellow star shows the location of Boliden Mineral AB's Lannavaara Permits



Lannavaara Hub located approximately 70kms north-east from Kiruna



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 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.

For further information please contact:

Damian Hicks
Chairman
Scandinavian Resources Ltd
Tel: +61 8 9324 1153

Media (Australia)

James Harris
Professional Public Relations
Tel: +61 8 9388 0944
Email: James.Harris@ppr.com.au

Media (Europe)

Kristoffer Gregersen and Rolf Gjertviksten
APELAND INFORMASJON
Oslo, Norway
Tel: +47 67 56 67 56 / +47 67 55 46 76
Email: kristoffer@apeland.no

Competent Persons Statements

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.

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.