



ASX Announcement

26 September 2011

Grant of Waiver

Scandinavian Resources Ltd (SCR) is pleased to announce that it has been granted a waiver by the Australian Securities Exchange (ASX) in relation to ASX Listing Rule 10.13.3 for the purpose and on the conditions as set out in this announcement.

Pursuant to resolution 1 of SCR's notice of meeting dated 23 September 2011, SCR will seek shareholder approval at a general meeting of shareholders to be held on 27 October 2011 to issue 5,000,000 Shares and 5,000,000 Options to Equity and Royalty Investments Ltd (ERI) as deferred consideration for the acquisition of Hannans Scandinavia AB (Deferred Consideration) in the event that SCR's market capitalisation reaches \$50,000,000 for 15 consecutive ASX trading days within 2 years of SCR listing on ASX.

Under ASX Listing Rule 10.13.3, SCR has one month from the date of the general meeting to issue the Deferred Consideration. Accordingly, SCR has sought and has been granted a waiver of ASX Listing Rule 10.13.3 to issue the Deferred Consideration at any time between the date of the general meeting and 21 April 2012 (being the final date for the issue of the Deferred Consideration if the milestone is met) on the terms and conditions set out in Schedule 1 of this announcement.

Schedule 1 – ASX Waiver decision terms

Based solely on the information provided, ASX Limited ("ASX") grants Scandinavian Resources Limited (the "Company") a waiver from listing rule 10.13.3 to the extent necessary to permit the Company's notice of meeting ("Notice") seeking shareholder approval for the issue of 5,000,000 ordinary shares in the Company and 5,000,000 options exercisable at \$0.20 each on or before 31 October 2012 (together "Deferred Consideration") to Equity and Royalty Investments Limited ("ERI") in accordance with the agreement to acquire 100% of the share capital of Hannans Scandinavian AB (the "Agreement"), to state that the issue of the Deferred Consideration will occur later than one month after the date of the shareholders' meeting, on the following conditions.

Fast Facts

ASX Code: SCR
SCRO

Capital Structure

Shares on issue: 79.3m
Options on issue: 61.1m (ex 20c – 75c)
Market cap: \$24m (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

EXPLORING THE SCANDINAVIAN SHIELD

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ACN: 132 035 842 | ASX: SCR

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- The Notice states that the Deferred Consideration is to be issued upon satisfaction of the relevant milestone, being the Company's market capitalisation exceeding \$50,000,000 for 15 consecutive ASX trading days within two years of the Company listing on ASX ("Milestone"), and in any event no later than 21 April 2012.
 - The Notice discloses the material terms of the Agreement to the satisfaction of ASX.
 - The Company releases the terms of the waiver to the market immediately.
 - The Company's annual report for the period during which the Deferred Consideration may be issued discloses details of the Deferred Consideration that has been issued to ERI and details of the Milestone.
2. ASX has considered listing rule 10.13.3 only and makes no statement as to the Company's compliance with other listing rules.

Scandinavian Resources Ltd (ASX: SCR)

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 for a detailed summary of the Company's projects.