



KIRUNAIRON AB

THE NEW KIRUNA IRON COMPANY

Drilling Update

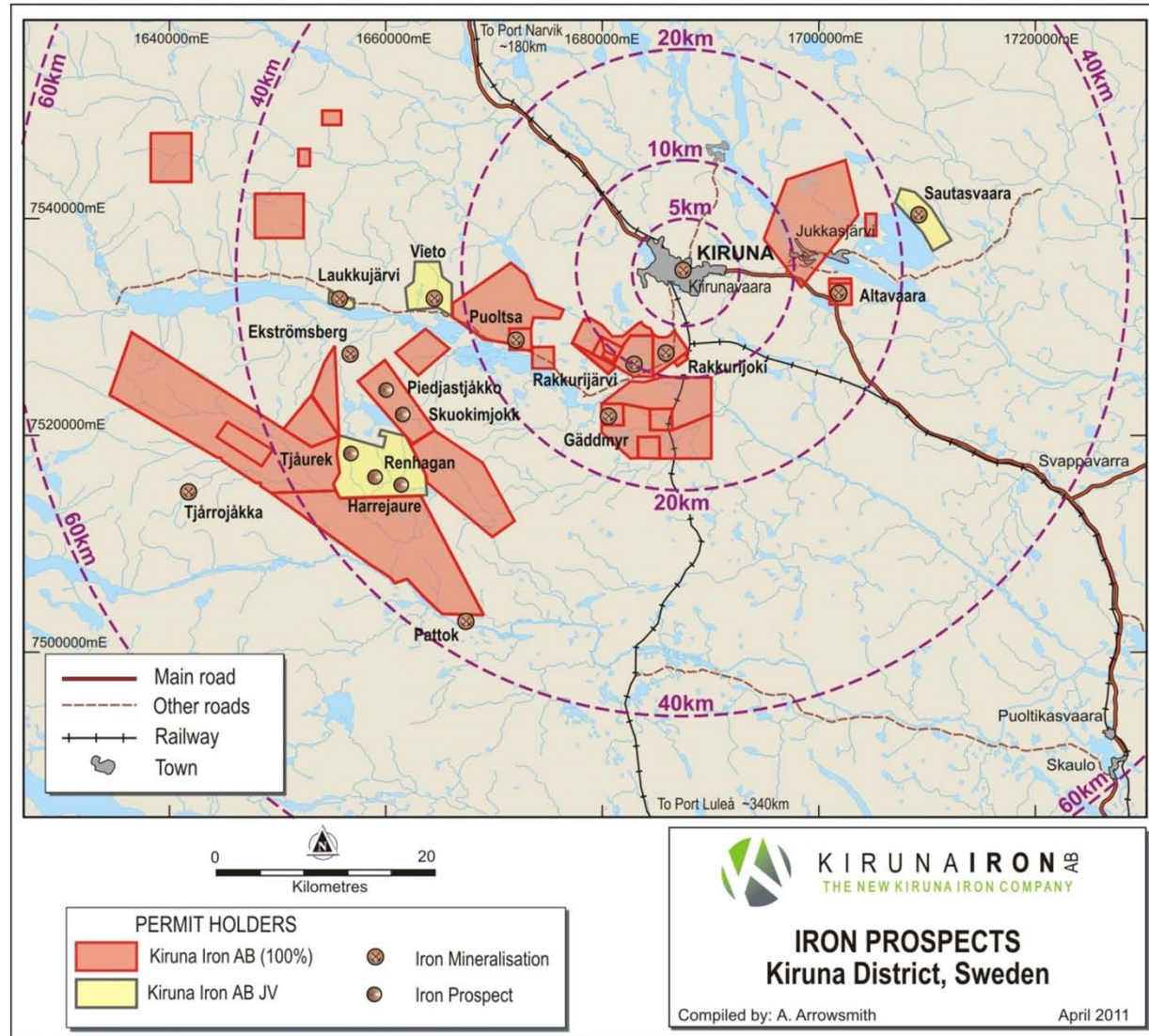
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- Transport a premium quality magnetite concentrate to the Port of Narvik, Norway via rail or slurry pipeline
- Mine iron from a number of 50 - 100Mt iron deposits within the world-class Kiruna Iron District, Sweden
- Compile significant quantities of iron within the shadow of Europe's largest iron mine through exploration, joint venture, acquisition and application



Brief Drilling Update

- Aim of current 10,000m diamond drilling program is to validate historical holes and test exploration targets
- Four diamond drill rigs currently on site (up from three)
- Drilling has commenced at Laukkujärvi, Rakkurijoki and Renhagen
- Drilling completed at Vieto, Sautusvaara and Rakkurijärvi
- 918 samples submitted for analysis and / or re-analysis
- Drill permitting in progress at Puoltsa and Piedjastjokka
- Modelling underway at Altavaara and Paljasjärvi
- JORC inferred mineral resource update scheduled for July 2011



Drilling completed and planned

Project	No. Holes	Total length (metres)	Comments
Vieto	5 completed	1,005.9m	219 samples submitted to ALS (Sampling completed)
Sautusvaara	5 completed	1,398.9m	11 samples submitted to ALS (Sampling incomplete)
Rakkurijärvi	6 completed	1,487.7m	(Sampling incomplete) 573 samples submitted for re-assay (Discovery Zone)
Laukkujärvi	16 planned	3,600m planned	2 holes complete, drilling underway on third hole
Rakkurijoki	7 planned	3,100m planned	1 hole complete, drilling underway on second hole
Renhagen	7 planned	1,200m planned	To be drilled with heli-rig in April-May 115 samples (incl. Rakkurijoki) submitted for analysis (Equinox)
Harrejaure	3 planned	860m planned	To be drilled with heli-rig in May-June

- Preliminary results from completed drilling (based on susceptibility logs) show good correlation with historic holes at Vieto and Sautusvaara
- Drilling assays and geological interpretation for Vieto, Sautusvaara and Rakkurijärvi expected to be released during May

Drill permitting & modelling in progress

Project	No. holes planned	Comments
Puoltsa	5 holes for ~1225m (10 additional holes probable)	Drill permitting in progress and will be drilled in summer.
Piedjastjåkka	3 holes for 450m	Drill permitting in progress and will be drilled with the heli-rig in June-July
Altavaara	Modelling in progress	
Paljasjärvi	Modelling in progress	
Gäddmyr	Modelling yet to begin	
Rapakkojärvi	Modelling yet to begin	

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.

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