



ASX Announcement / Media Release

23 February 2011

Fast Facts

ASX Code: SCR
SCRO

Capital Structure

Shares on issue: 63.62m
Options on issue: 68.7m (ex 20c – 75c)
Market cap: \$36.9m (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

Drilling at Sautusvaara Prospect

- Drilling has commenced at the Sautusvaara Prospect (refer attached Location Map)
- Drilling planned to validate historical mineralised intercepts and to test geophysical anomalies (refer attached plan)
- Twinning of 2 historical holes, totalling 650m is planned
- Additionally 3 exploration holes to test extent of geophysical anomalies, totalling 900m is planned
- Up to 1,550m of drilling at Sautusvaara before moving on to next iron prospect - 10,000m diamond drilling planned in total this winter
- At Vieto Prospect, 3 holes completed, 4th hole in progress

Scandinavian Resources Ltd (ASX:SCR) is pleased to advise the commencement of drilling at the Sautusvaara Prospect at its Kiruna Iron Project.

SCR, through its wholly owned subsidiary Kiruna Iron AB is striving to become a producer of a premium quality iron products by implementing an aggregation and exploration model successfully employed by its peers in the Pilbara region of Western Australia (refer ASX released dated 20 January 2011).

As part of a 10,000 metre winter drill program, drilling has commenced at the Sautusvaara Prospect, a joint venture prospect with TSX:V listed company Tasman Metals Ltd (refer ASX released dated 28 June 2010 for details of joint venture).

Drilling at the Kiruna Iron Project was limited last week due to the extremely cold weather conditions; down to -39°C. This is unusually cold for this time of year; however temperatures are moving towards seasonal averages enabling drilling to recommence.

Significant assay results from the current drilling will be released to ASX as soon as they have been received and interpreted.

EXPLORING THE SCANDINAVIAN SHIELD

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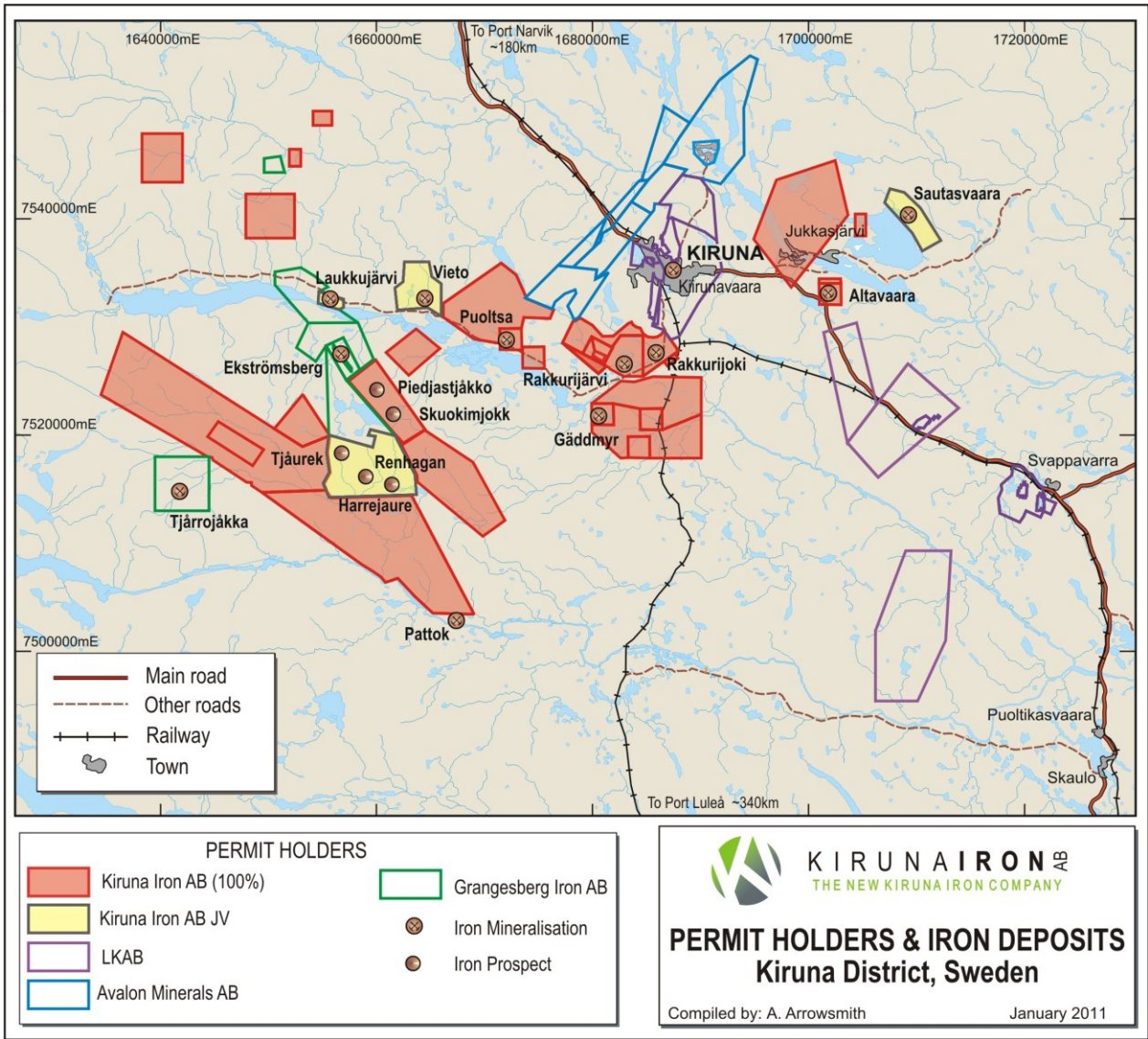


Figure 1: Permit location map-Kiruna Iron Project

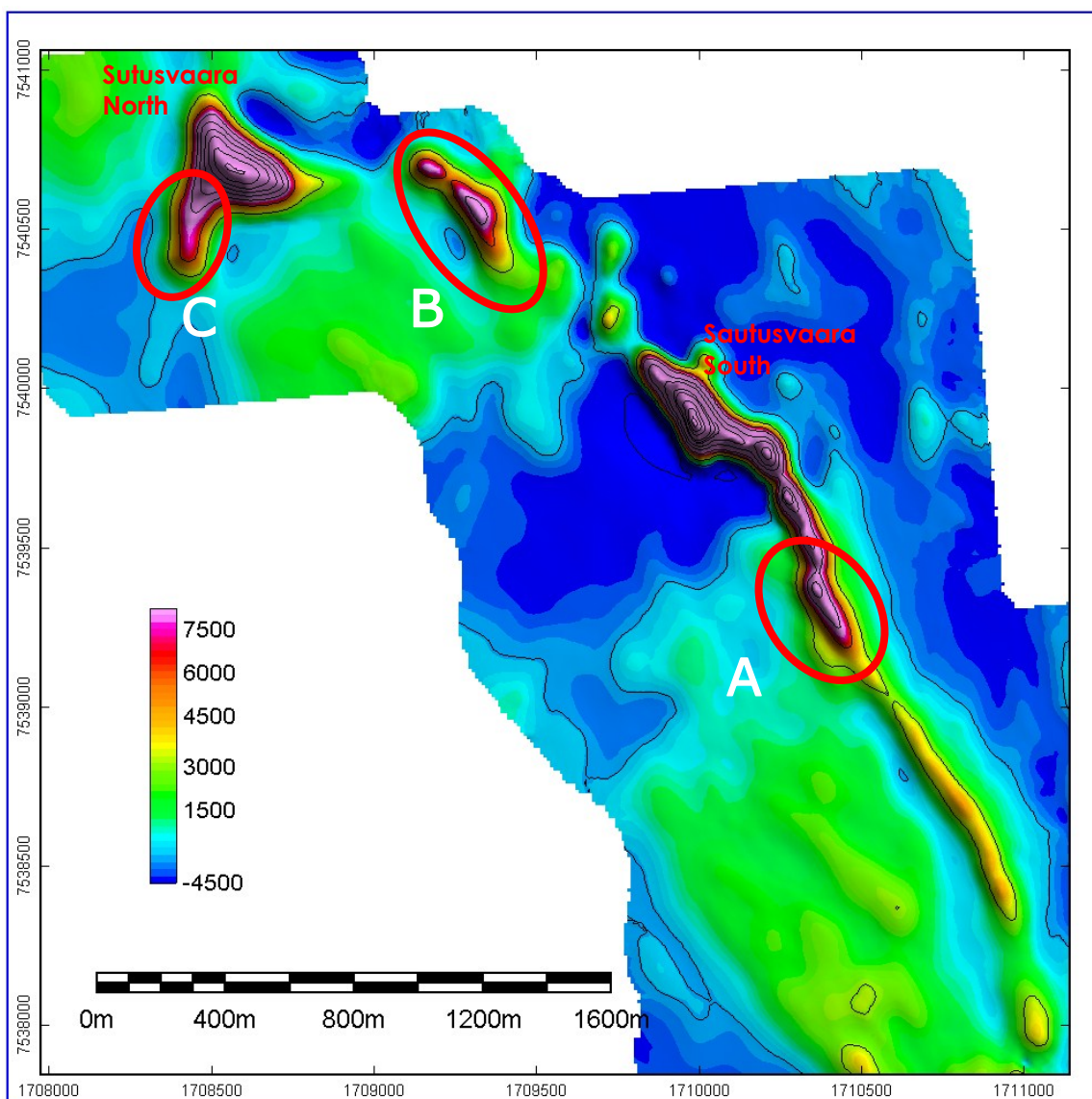


Figure 2: Sautusvaara drilling targets on magnetic imagery

- Twinning of two historical holes, 66724 & 66704 totalling 650m
- Three exploration holes:
 - One hole to test depth extent of geophysical anomaly A, estimated depth 250 to 300 m
 - One hole to test the depth extent of geophysical anomaly B, estimated depth 300 m
 - One or two holes to test the geophysical anomaly C, totalling 300 m

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).
- cornerstone investor is S&P/ASX Top 200 company, OM Holdings Ltd (ASX:OMH).
- 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.
- Raised AUD6.7 million through an Initial Public Offering and was granted admission to the ASX in April 2010

Please visit www.scandinavianresources.com for a detailed summary of the Company's projects.

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.

For further information please contact:

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