

## Fast Facts

ASX Code: SCR  
SCRO

## Capital Structure

Shares on issue: 65.46m  
Options on issue: 66.86m (ex 20c – 75c)  
Market cap: \$40.6m (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

## 3<sup>rd</sup> Quarter Activities Report 2010/2011

### Highlights

*By Amanda Arrowsmith, Exploration Manager*

- 10,000m diamond drilling programme at Kiruna Iron Project commenced in January
- Drill program proceeding well with first batch of assays and interpretation scheduled to be available during May

Scandinavian Resources Ltd (ASX:SCR), currently one of the largest landholders around the largest iron mine in Europe, commenced its inaugural diamond drilling program at its wholly owned Kiruna Project during the 3<sup>rd</sup> Quarter.

During the 3<sup>rd</sup> Quarter more than 3000m of diamond drilling was completed at the Kiruna Iron Project through the Companies' wholly-owned Swedish subsidiary Kiruna Iron AB. This drilling is part of a planned 10,000m of drilling to be completed ahead of a JORC inferred mineral resource update scheduled for July 2011.

Drilling commenced at the Vieto Prospect in late January where a total of 1005.90m were drilled including three exploration holes and two twin holes. One exploration hole remains to be drilled and will be drilled during spring. Assays for the first three holes have been received; the remaining two holes are currently in the laboratory in Perth, Australia with results expected in the next two weeks. The best intercept to date is from exploration hole VIEI 1003 which returned 44.3m averaging 32.84% Fe. The success of twin hole VIEI 1005 has provided confidence in the historic data and in the JORC inferred resource of 13.27Mt @ 34.3% Fe<sup>1</sup>. The success of the exploration holes drilled to date have provided encouragement that additional tonnage may be added to the current JORC inferred resource.

The first phase of drilling has also been completed at the Sautusvaara Prospect where five holes were drilled for a total of 1398.9m. Two twin holes were drilled to verify the historic data and three exploration holes were drilled to test new geophysical models. No assay results have been received to date although the twin holes appeared to have compared well with the historic holes from visual estimates.

Drilling has also recently finished at the Rakkurijärvi prospect where six holes were completed for a total of 1487.7m, which included one twin hole and five exploration holes.

<sup>1</sup> Refer Competant Persons Statement

Ground conditions were less than favourable affecting the core quality. No assay results have been received to date although the twin hole appeared to have compared well with the historic hole from visual estimates. An update of assays results for Vieto, Sautusvaara and Rakkurijärvi will be provided once the balance of results have been received and reviewed.

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)
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
Harrejaure	3 planned	860m planned	To be drilled with heli-rig in May-June

Table 1: Drilling Status-Kiruna Iron Project April 2011

Drilling is currently underway at both the Rakkurijoki and Laukkujärvi Prospects and drilling with a heli-rig will commence at the Renhagen Prospect within the week bringing the number of drilling rigs to four.

Drill permitting for targets to be drilled during spring and summer is also underway and geophysical modelling of other iron prospects continues.

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	

Table 2: Permitting & Modelling Status-Kiruna Iron Project April 2011

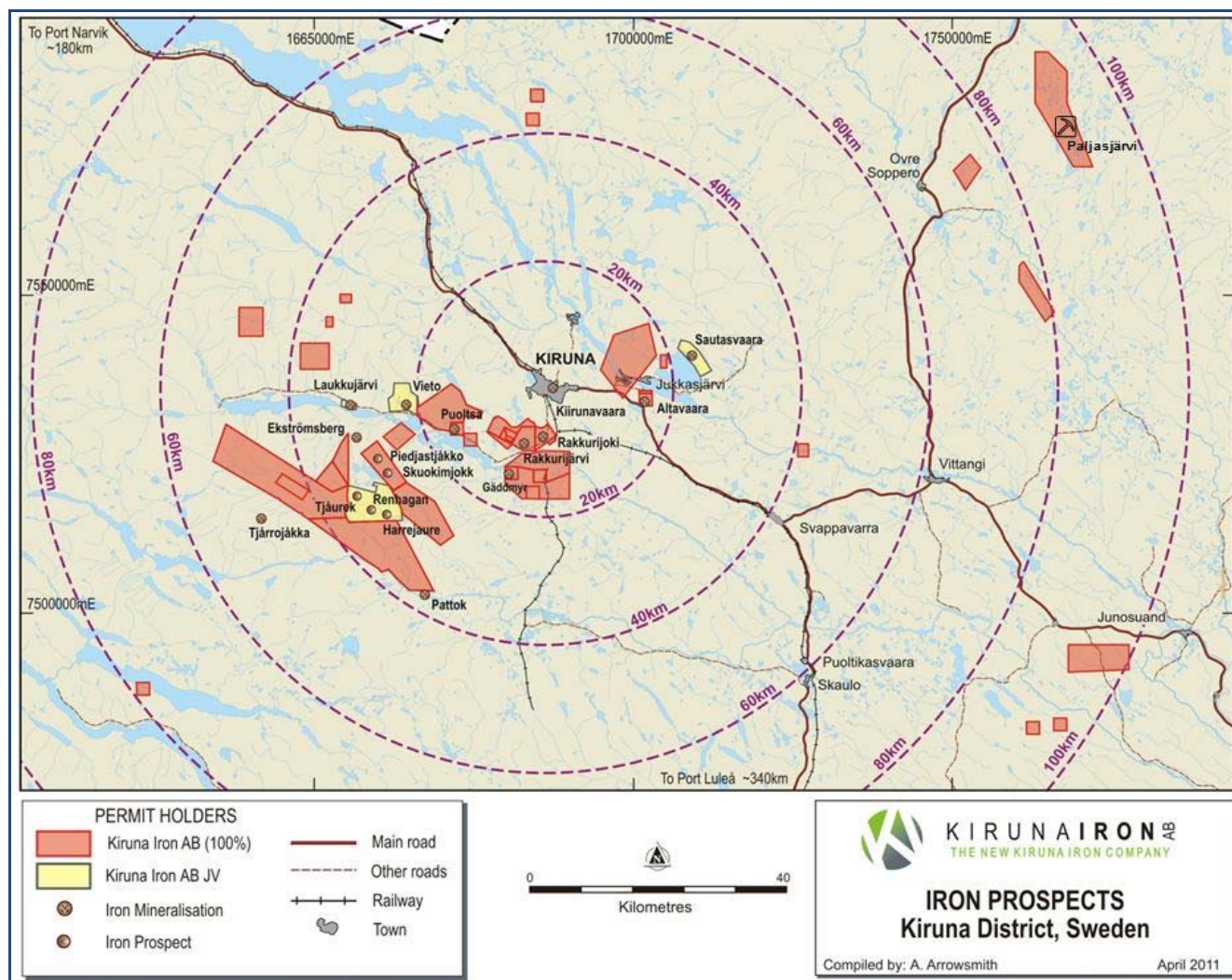


Figure 1: Iron Prospects

### ASX Releases during the 3<sup>rd</sup> Quarter

29/03/2011	Appendix 3B Options Exercised
22/03/2011	Appendix 3B Options Exercised
17/03/2011	Becoming a substantial holder
17/03/2011	Appendix 3B Options Exercised
15/03/2011	Appendix 3B
14/03/2011	Financial Report for the Half Year
04/03/2011	Kiruna Iron Project - Drilling at Rakkurijarvi Prospect
02/03/2011	Appendix 3B Options Exercised
01/03/2011	Appendix 3B Options Exercised
23/02/2011	Kiruna Iron Project - Drilling at Sautusvaara Prospect
10/02/2011	Funding Update and Option Exercise
08/02/2011	Investor Presentation
08/02/2011	Option Exercise and Funding Update
31/01/2011	2nd Quarter Activities Report
31/01/2011	2nd Quarter Cashflow Report
31/01/2011	Kiruna Iron Project - Vieto Drilling
21/01/2011	Initial Directors Interest Notice

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20/01/2011	Kiruna Iron Update
19/01/2011	Appointment of Director
17/01/2011	Response to ASX Price and Volume Query

**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.

The information in this report that relates to the current JORC inferred resource at Vieto is based on information reviewed by Mr Geoffrey Reed (ReedLeyton Consulting) who is a Member of the Australian Institute of Mining & Metallurgy. Furthermore Mr Reed accepts responsibility for the accuracy of the information pertaining to the current JORC inferred resource at Vieto contained within the Announcement. Mr Reed 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 "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Reed 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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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

SCANDINAVIAN RESOURCES LTD

ABN

99 132 035 842

Quarter ended ("current quarter")

31 MARCH 2011

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(740)	(1,909)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(172)	(644)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	64	75
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
		(848)	(2,478)
<b>Net Operating Cash Flows</b>			
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	(4,371)
	(b) equity investments	-	-
	(c) other fixed assets	(33)	(92)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	(14)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
		(33)	(4,477)
<b>Net investing cash flows</b>			
1.13	Total operating and investing cash flows (carried forward)	(881)	(6,955)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(881)	(6,955)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	415	415
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	900	1,545
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	-	(1)
	<b>Net financing cash flows</b>	1,315	(1,959)
	<b>Net increase (decrease) in cash held</b>	434	(4,996)
1.20	Cash at beginning of quarter/year to date	327	5,755
1.21	Exchange rate adjustments to item 1.20	10	12
1.22	<b>Cash at end of quarter</b>	771	771
		(Refer 3.1 for finance facilities in place)	(Refer 3.1 for finance facilities in place)

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	103
1.24	Aggregate amount of loans to the parties included in item 1.10	

- 1.25 Explanation necessary for an understanding of the transactions  
Payment of Executive and Non-executive director fees.

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	10,000 (6)	1,545
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	800
4.2 Development	-
4.3 Production	-
4.4 Administration	200
<b>Total</b>	<b>1,000</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	771	327
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	771 (Refer 3.1 for finance facilities in place)	327

+ See chapter 19 for defined terms.

## Changes in interests in mining tenements

[illegible]**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> <i>(description)</i>	-	-	-	-
7.2	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	<b>+Ordinary securities</b>	65,013,996	44,880,661	-	-

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+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

7.4	Changes during quarter				
	(a) Increases through issues	1,660,000	1,660,000	25 cents per share (On exercise of 31 October 2011 listed options)	25 cents per share (On exercise of 31 October 2011 listed options)
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	<b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
		-	32,144,968	25 Cents	31 October 2011
		8,533,340	-	20 Cents	31 October 2012
		20,133,334	-	20 Cents	31 October 2012 (Escrowed to 21 April 2012)
		2,500,000	-	20 Cents	31 August 2011 (Escrowed to 21 April 2012)
		400,000	-	25 Cents	30 June 2013
		300,000	-	50 Cents	30 June 2013
		300,000	-	75 Cents	30 June 2013
		1,500,000	-	20 Cents	31 October 2012
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	1,660,000	1,660,000	25 cents	25cents
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Damian Hicks  
Chairman  
21/04/2011

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.
- 6 Details of loan facilities can be found in announcements released to the ASX on 15 November 2010 (ScanRes - Anglo American and Rio Tinto), 29 December 2010 (ScanRes - Funding and Iron Exploration), 8 February 2011 (ScanRes - Option Exercise and Funding Update) and 10 February 2011 (ScanRes - Funding Update and Option Exercise)

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+ See chapter 19 for defined terms.