

# SCANDINAVIAN RESOURCES LTD

## Exploring the Scandinavian Shield

ASX Announcement / Media Release

21 April 2010

### Successful Completion of \$6.7M IPO and Admission to ASX

- Scandinavian Resources Ltd (ASX:SCR) lists on ASX after completing \$6.7m IPO.
- SCR strategy is to 'incubate' a highly prospective portfolio of iron, manganese, gold, PGE and base metals projects in Scandinavia (primarily Sweden & Norway).
- SCR 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 Mala, Sweden.
- SCR is the 11<sup>th</sup> largest landholder (by area) of minerals exploration projects in Sweden & one of the largest landholders in the world class Kiruna IOCG District.
- SCR 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) – refer attached Project Location Map .
- SCR's flagship Kiruna iron exploration project is 30km from the 2Bt Kiruna iron mine (owned by LKAB) – the world's largest and most modern underground iron mine.
- SCR's 'pipeline' of projects cover manganese, gold, copper-gold and lead-zinc prospects in Sweden & Norway.

Scandinavian focussed minerals company Scandinavian Resources Ltd (ASX:SCR) has completed a listing on the Australian Securities Exchange after raising \$6.7m through an Initial Public Offering.

Scandinavian Resources Chairman, Mr Damian Hicks said, "The technical team, headed by Mr Olof Forslund has developed an outstanding portfolio of exploration projects covering iron, manganese, gold, copper and PGEs. Our strategy is to utilise the extensive knowledge and networks of Mr Forslund to 'incubate' a large number of projects that have the potential to host economic mineralisation.

#### Fast Facts

ASX Codes:	SCR SCRO
Capital Structure	
Shares on issue:	62.5m
Options on issue:	65.0m (ex 20c – 25c)
Market cap:	\$12.5m (undiluted)

#### Financial Position

Cash:	\$6.7m (IPO raising)
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#### Board of Directors

Damian Hicks	Chairman
Olof Forslund	Technical Director
Ian Gregory	Director & Company Secretary

#### Primary Projects

##### Sweden

Kiruna	Iron
Swampy Mountain	Iron-copper-gold & PGE

##### Norway

Lake Embrace	Copper-lead-zinc
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#### Project Pipeline

##### Commodities

Manganese  
Gold  
Copper  
Copper-gold  
Copper-lead-zinc

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The capital raised from the IPO will enable the Company to add value to our existing exploration portfolio and also assess additional advanced opportunities. At various decision points the Company aims to crystallise value for shareholders through mining activities, sale or joint venture of the projects within its portfolio. In addition to our existing early stage projects, we are actively seeking to identify development and mining opportunities. Having now completed the IPO I'd like to express my appreciation to the IPO applicants who've backed the Scandinavian Resources management team to deliver value to shareholders in the short to medium term. I'm confident that we have the people and projects to exceed these expectations."

### Project Summary

SCR's exploration projects are:

#### Kiruna Project (iron exploration)

- SCR's Kiruna Project is 30km from the giant (2Bt) iron mine owned by Luossavaara-Kiirunavaara AB (LKAB) – SCR is one of the largest landholders by area in the world class Kiruna IOCG District
- By way of background, LKAB is an international high-tech minerals group and one of the world's leading producers of upgraded iron ore products for the steel industry. LKAB produces approximately 24Mtpa of iron ore products; most of which are sold to European steelworks whilst other important markets are North Africa, the Middle East and Southeast Asia. LKAB's Kiruna mine is the world's largest and most modern underground iron ore mine. With an ore body 4km long, 80m thick and reaching a depth of 2km, the Kiruna mine has produced over 959Mt of ore in the 100 years since mining began.
- SCR has applied for 16 additional permits covering 238km<sup>2</sup> of tenure highly prospective for iron mineralisation in the Kiruna District (taking total coverage to 560km<sup>2</sup>).
- SCR has engaged an experienced iron consultant to assist with project development
- SCR is currently accessing historical diamond drill core for the purpose of verifying mineralisation assay grades and completing preliminary metallurgical test work
- SCR is currently reviewing exploration activities completed by the Geological Survey of Sweden (SGU) to determine whether SGU mineral estimates (contained within SCR permits) can be reported to ASX
- SCR is scheduled to commence a ground based gravity survey in April 2010
- As soon as ground conditions permit, SCR will complete additional diamond drilling to assess mineralisation and metallurgical characteristics of various prospects.

#### Lake Embrace Project (copper-lead-zinc-silver)

- The Lake Embrace Project is located in the Nordland region of northern Norway and is only 7km west of the Swedish border and 145km from the Norwegian mining and port town of Mo i Rana.
- In 2008 and 2009 SCR identified high grade massive sulphides from within both insitu bedrock and moraine boulders at the project.
- In August 2009 SCR completed a heliborne VTEM (versatile time-domain electromagnetic) survey over the entire Project which identified multiple strong EM (electromagnetic) conductors coincident with known mineralisation and magnetic anomalies.
- As soon as ground conditions permit, SCR will complete ground truthing of the twelve (12) priority VTEM anomalies and will then drill test the anomalies to determine the strike and depth extent of potential base metals mineralisation.

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Swampy Mountain Project (platinum plus iron-copper-gold targets)

- The Swampy Mountain Project in Sweden, is located in the northern extents of the Skellefte Mineral District which is host to multiple active and historic mines including Kristineberg (Zn, Cu, Au), Storliden (Zn, Cu), Boliden (Cu, Au) and Renstrom (Zn, Au, Ag, Cu).
- The Project as first identified by the company as being prospective for IOCG (iron-oxide-copper-gold) mineralisation.
- Rock chip sampling by SCR in 2008 identified several areas of anomalous gold, silver, copper, tungsten and iron.
- SCR has recently applied for 1 additional permit (21km<sup>2</sup>) covering tenure highly prospective for gold mineralisation.
- SCR will complete a ground based electromagnetic survey and shallow diamond drilling program to improve the geological understanding of the project.

Exploration Pipeline

- SCR continues to identify additional mineral exploration opportunities for the pipeline.

Field Season

SCR will recommence field based exploration activities at the beginning of the spring/summer field season; which will include mapping, geophysical surveys and diamond drilling activities targeting iron, manganese, gold, copper-lead-zinc and PGEs. In early spring (the 2<sup>nd</sup> ½ of March) the winter ice begins to melt making the movement of heavy vehicles (drill rigs and support vehicles) in remote conditions difficult and expensive. The best time of the year to complete geological mapping of the limited outcrop in Scandinavia is late spring / early summer (the 2<sup>nd</sup> ½ of June) prior to ground vegetation growing and then covering the isitu bedrock (more than 90% of Scandinavia is covered with glacial moraine). The most cost effective and practical time to complete drilling activities in northern Sweden and Norway is during summer and winter (from the 2<sup>nd</sup> ½ of December). In particular, during winter heavy vehicles can easily access projects by travelling directly across, and drilling through, the ice (after the autumn/winter snow has frozen) without the need to create ground disturbing tracks and drill pads.

Please visit [www.scandinavianresources.com](http://www.scandinavianresources.com) for a detailed summary of the Company's projects.

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Competent Persons Statement

The information in this document that relates to exploration results is based on information compiled by Mrs. Amanda Arrowsmith, Consulting Geologist, who is a Member of the Australian Institute of Mining and Metallurgy. Mrs. Arrowsmith is a consultant to 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.



Location of Scandinavian Resources Ltd's primary exploration projects - Kiruna iron project, Lake Embrace copper-lead-zinc project (Famnvatnet is the Norwegian name) and Swampy Mountain (Vatmyrberget is the Swedish name)