



ASX Announcement / Media Release

11 October 2010

Fast Facts

ASX Code: SCR
SCRO

Capital Structure

Shares on issue: 63.35m
Options on issue: 66.0m (ex 20c – 75c)
Market cap: \$9m (undiluted)

Financial Position

Cash: \$5.76 m (June 2010)

Board of Directors

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

High Grade Gold at Särksjön Project, Sweden

- 42.5g/t gold, 45.2g/t silver, 1.35% copper, 4.17% lead and 4.18% zinc from rock chip (SAR10005)
- 46.1g/t gold, 30.6g/t silver, 0.71% copper, 3.64% lead and 4.51% zinc from rock chip (SAR10006)
- High grade assays returned from outcrop

Scandinavian Resources Ltd (ASX: SCR) has received high-grade gold and base metal assays from rock chip sampling at its 100% owned Särksjön* Project. The Särksjön Project is located approximately 120km west of Vilhelmina, in the Swedish Caledonides which hosts multiple base metal mineral deposits and mines (refer attached Location Plan).

The mineralised samples were collected by Amanda Arrowsmith (Exploration Manager) in September during a reconnaissance field trip to the Project. The samples have returned exceptionally high gold, silver, copper, lead and zinc values including SAR10005: 42.5g/t Au, 45.2g/t Ag, 1.35% Cu, 4.17% Pb and 4.18% Zn and SAR10006: 46.1g/t Au, 30.6g/t Ag, 0.71% Cu, 3.64% Pb and 4.51% Zn!. Historic exploration at the Project is limited to four shallow (<10m) drillholes completed in the 1960's however the drillcore was never assayed for gold.

Technical Director Olof Forslund said, "Särksjön is a project that we have incubated over recent months. In light of these fantastic results we'll cover the project with magnetic and electromagnetic surveys to generate future drill targets. This project is completely underexplored."

The rock chips came from a 4m x 15m outcrop of intensely folded quartz sericite schist which was sulphide rich including abundant arsenopyrite, pyrite and chalcopyrite (refer attached photograph).

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

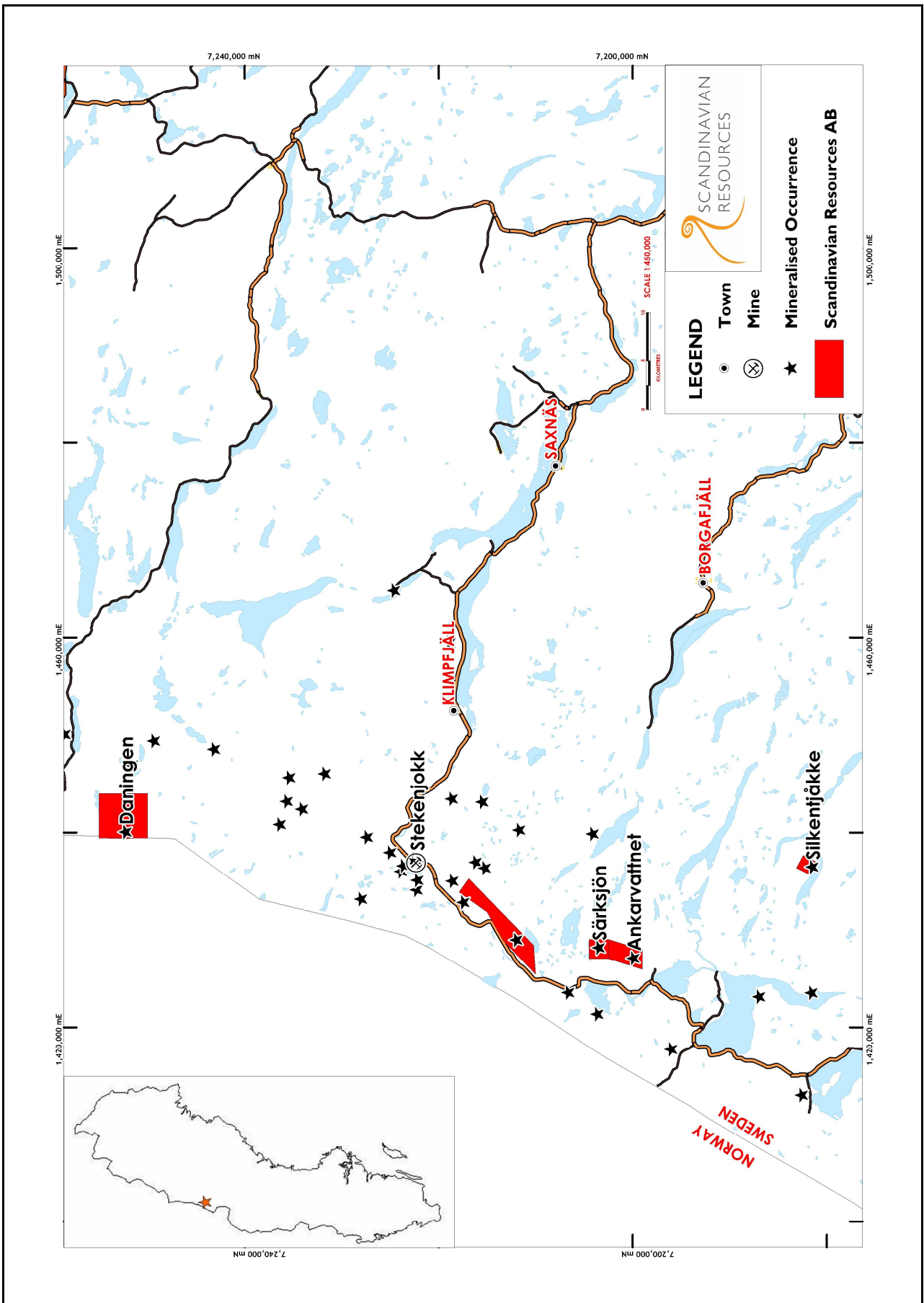
* pronounced [searks-yun]

EXPLORING THE SCANDINAVIAN SHIELD

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Intensely folded quartz sericite schist hosting high grade gold and base metal mineralisation (SAR10005 & SAR10006)



View from SAR10005 & SAR10006 looking northwest over Lake Särksjön toward the Caledonide Mountains

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).
- 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.
- 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.

Contacts:

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COMPETENT PERSONS STATEMENTS

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.

¹ ***All samples were assayed at ALS Laboratories in Piteå, Sweden via 4-Acid Digest/ICPMS (ICPMS61) for all elements other than gold which was assayed via Fire Assay (Au-AA25). All elements that reported greater than detection were re-assayed via an Ore Grade Method***