

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 DECEMBER 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(3,011)	(5,351)
(b) development	-	-
(c) production	-	-
(d) administration	(505)	(629)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	19	22
1.5 Interest and other costs of finance paid	(321)	(321)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
	(3,818)	(6,279)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(1,493)	(2,215)
(b) equity investments	-	-
(c) other fixed assets	(2)	(20)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
	(1,495)	(2,235)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(5,313)	(8,514)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(5,313)	(8,514)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	6,962	8,214
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	2,100
1.17	Repayment of borrowings	(250)	(250)
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	(218)	(218)
Net financing cash flows		6,494	9,846
Net increase (decrease) in cash held		1,181	1,332
1.20	Cash at beginning of quarter/year to date	279	128
1.21	Exchange rate adjustments to item 1.20	-	(1)
1.22	Cash at end of quarter	1,459	1,459
		(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	33
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	6,650 ⁽⁶⁾	5,795
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(2,400)
4.2 Development	-
4.3 Production	-
4.4 Administration <ul style="list-style-type: none"> • Administration • Other 	(300) 11,600 ⁽⁷⁾
Total	8,900

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	1,459	279
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,459	279
	(Refer 3.1 for finance facilities in place)	

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Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Ahmakero nr 2	Granted	100%	0%
	Hårås nr 1	Granted	100%	0%
	Rakten nr 1	Granted	100%	0%
6.2 Interests in mining tenements acquired or increased	Flintfjellet 1-3	Application	0%	0%
	Gjeddevann 9-11	Application	0%	0%

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 Preference +securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	114,363,266	91,729,931	-	-
7.4 Changes during quarter				
(a) Increases through issues	10,384,164	10,384,164	25 cents per share (On exercise of 31 October 2011 listed options)	25 cents per share (On exercise of 31 October 2011 listed options)
	17,462,734	17,462,734	25 cents per share	25 cents per share
	6,157,635	6,157,635	24.36 cents per share	24.36 cents per share
(b) Decreases through returns of capital, buy-backs	-	-		

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	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.5 +Convertible debt securities (<i>description</i>)	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options (<i>description and conversion factor</i>)			<i>Exercise price</i>	<i>Expiry date</i>
	8,186,673	-	20 Cents	31 October 2012
	20,133,334	-	20 Cents	31 October 2012 (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
	500,000	-	40 Cents	15 December 2012
	1,200,000	-	40 Cents	1 February 2013
7.8 Issued during quarter			<i>Exercise price</i>	<i>Expiry date</i>
	50,000	-	40 Cents	1 February 2013
	150,000	-	40 Cents	1 February 2013
7.9 Exercised during quarter	10,384,164	10,384,164	25 cents	25 cents
7.1 Expired during quarter	-	-	-	-
7.1 Debentures	-	-		
1 (<i>totals only</i>)				
7.1 Unsecured notes (<i>totals only</i>)	-	-		
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+ 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
31/01/2012

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 The loan facility detailed in Item 3.1 from Appendix 5B for the Quarter ended 30 September 2011 totalled \$11,150,000. The Company will not draw down further on the loan facility provided by OM Holdings Ltd (total loan facility provided \$5,000,000 – amount currently drawn \$500,000) therefore the total loan facility currently available has been reduced by \$4,500,000 to \$6,650,000. Please refer to announcement released to the ASX on 31 January 2012 (ScanRes – Appendix 3B) for extended repayment dates for the loan facilities.

+ See chapter 19 for defined terms.

7 **Estimated other cash outflows for next quarter**

	\$A (M)	Note
Estimated Inflows:		
• Option exercise	4	(i)
• Kiruna Iron placement	12.5	(ii)
• ASX Shareholder offer	2.5	(ii)
Sub-total	19	
Estimated Outflows		
• Kiruna Iron AB loan repayments	(5.1)	(ii)
• Scandinavian Resources Ltd loan repayments	(0.8)	
• Working capital and fees	(1.5)	(ii)
Sub-total	(7.4)	
Total	11.6	

Notes:

- (i) Equity & Royalty Investments Ltd 20 million options exercisable at 20 cents each.
- (ii) Refer page 12 of announcement released to the ASX on 23 January 2012 (ScanRes - Kiruna Iron Investor Presentation).

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