

Media Release

**Scandinavian Resources Limited to open
A\$6.5 million Initial Public Offering**

- Perth-based mineral exploration company, Scandinavian Resources Limited (SRL), to complete an Initial Public Offering (IPO) on the Australian Securities Exchange in December 2009;
- The Company will offer a total of 32.5 million new shares at A\$0.20 per share plus a 1:1 free attaching option (ASX listed) exercisable at A\$0.25 on or before 31 October 2011;
- SRL Technical Director is Mr Olof Forslund ex-Regional Manager of Sweden Geological Survey's extensive minerals database and well connected identity throughout the Scandinavian minerals industry;
- SRL Chairman, Mr Damian Hicks is founding director of ASX-listed Hannans Reward Ltd;
- SRL is the 12th largest exploration permit holder by area in Sweden and also holds projects in Norway;
- SRL's major iron project is 30km from the largest iron mine in Europe (2Bt) where SRL sampling has returned grades in excess of 65% iron;
- SRL's exploration portfolio covers: precious metals (gold and silver); base metals (copper, lead and zinc); PGE's (platinum and palladium); iron and manganese; and
- Funds will be used to complete exploration drill testing of its iron targets in Sweden and identify base metals in Norway.

Perth-based mineral exploration company, Scandinavian Resources Ltd ("SRL"), will launch an Initial Public Offer ("IPO") in November to raise A\$6.5 million ahead of its plans to list on the Australian Securities Exchange (ASX) in December 2009

The Prospectus is for the issue of 32,500,000 shares at A\$0.20 each to raise A\$6.5 million plus a 1:1 free attaching options (ASX listed) exercisable at A\$0.25 on or before 31/10/11. The offer is expected to open and close in November.

SRL's activities in Sweden have been based around the expertise and networks of Mr Olof Forslund, a highly-credited and renowned geophysicist with extensive experience in the Scandinavian minerals exploration industry. Mr Forslund was previously Regional Manager of the Sweden Geological Survey's (SGU) Mineral Resources Information Office based in Mala, Sweden.

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The publicly accessible SGU databases contain a significant amount of data that has enabled the identification of a number of mineral exploration opportunities for SRL. Coupled with Mr Forslund's network, SRL is well placed to advance its excellent iron, gold and base metals projects in Sweden and Norway.

Mr Damian Hicks, chairman and founder of SRL, said that Sweden is a major mining centre in the European Union (EU), with low sovereign risk and high quality exploration data.

"Sweden has huge potential for major discoveries, and crucially, it is under-explored by modern standards," said Mr Hicks.

"The Swedish government didn't allow private companies to explore for mineral assets until 1992, however there are now more than 100 companies actively exploring in the Country including a number of ASX listed exploration companies together with Rio Tinto and Anglo American.

"Sweden is the largest producer of iron ore in the EU, and hosts very large mines such as the world-class 2 billion tonne Kiruna Iron Mine (owned by LKAB) and the Aitik Copper Mine (owned by Boliden), which has produced almost 430Mt of ore so far," Mr Hicks continued.

"Importantly, Sweden has extremely high quality exploration data, with the SGU Mineral Resources Information Office (SGU) being an invaluable 'one-stop-shop' for exploration data. Olof Forslund commenced with the SGU in 1966. During his last eight years with SGU Olof was responsible for assisting companies to identify new exploration and mining opportunities from the databases and for promoting Sweden to the international mining community.

"Since retiring from the SGU in 2007, Olof has worked very hard putting this exploration portfolio together for SRL, whilst our Australian team has provided him with the corporate and additional technical support."

In Sweden SRL will use the funds to complete exploration drill testing of its iron targets with the aim of generating an inferred JORC resource during 2010. In Norway the Company will drill test 12 geophysical targets (generated through a VTEM survey in September 2009) to identify a high grade base metals mineralisation with a significant strike extent and depth potential.

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The Prospectus will be available to be downloaded from www.scandinavianresources.com or contact the Company on +61 8 9324 1153.



Caption: Mr Olof Forslund, Scandinavian Resources Ltd, Technical Director (Far left), Orjan Einarsson, Principal GeoPartner AB, Kjell Stenmark, Well known Prospector and Amanda Arrowsmith, Consulting Geologist at the Kiruna Project, Sweden in August 2009

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