

19 February 2010

OMH commits to cornerstone investment into Scandinavian Resources

Highlights

- **OM Holdings (OMH) to become cornerstone investor in Scandinavian Resources (SCR)**
- **OMH has agreed to subscribe for 19.99%, pursuant to the company's IPO minimum**
- **SRL Technical Director, Mr Olof Forslund, based in Mala Sweden, ex-regional manager of Sweden Geological Survey's extensive minerals database and well connected identity throughout the Scandinavian minerals industry**
- **SCR's exploration portfolio covers: iron and manganese; precious metals (gold and silver); base metals (copper, lead and zinc); PGE's (platinum and palladium)**
- **SCR is the 12th largest exploration permit holder by area in Sweden and also holds projects in Norway**

Mineral exploration company, Scandinavian Resources Limited (**ASX: SCR** or "the Company") is pleased to confirm that S&P/ASX Top 200 company, OM Holdings Limited (**ASX:OMH**) has committed to be a cornerstone investor in Scandinavian minerals company Scandinavian Resources Ltd.

OMH is a fully integrated manganese producer, with mining operations in Australia, a ferro alloy smelter and sinter plant in China and a marketing and distribution business run out of Singapore. The short-term strategy is to grow OMH into a leading independent integrated manganese producer while longer term, OMH has flagged a desire to become a diversified producer of steelmaking materials.

OMH recently invested AUD \$61.4 million acquiring a 14.6% equity interest in Northern Iron Ltd (ASX:NFE) which owns the Sydvaranger Iron Ore Project located in northern Norway, approximately 400km north-east of Scandinavian Resources' Kiruna iron exploration project.

Scandinavian Resources Chairman, Damian Hicks said, "We're very pleased to welcome OMH as a cornerstone investor in the Scandinavian Resources IPO.

"Our business model is to develop a pipeline of excellent exploration projects that have the potential to host iron, precious metals and or base metals deposits. Our first drilling program will test iron targets located 30km from the largest iron mine in Europe."

SCANDINAVIAN RESOURCES LTD

Exploring the Scandinavian Shield

Scandinavian Resources' exploration strategy is headed by Mr Olof Forslund, former regional manager of the Geological Survey of Sweden's Mineral Resource Information Office, based in Mala Sweden.

Forslund was previously responsible for managing Sweden's extensive minerals databases and drill core libraries as well as for promoting Sweden to the world as a country with a 1,000 year mining history, excellent minerals prospectivity and low sovereign risk.

Mr Hicks considers that Forslund's expert knowledge and extensive Scandinavian networks provide the Company with a competitive advantage relative to its peers. To date Scandinavian Resources has built a pipeline of early stage exploration projects covering iron, gold and base metals in Sweden and Norway.

The company plans to list on the ASX, in March 2010, and will commence drill testing its iron exploration project, located 30km from the giant 2Bt Kiruna iron mine, owned by LKAB (Swedish Government) shortly.

The 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, it currently produces 25mtpa and has produced over 959Mt of ore in the 100 years since mining at Kiruna. Scandinavian Resources is one of the largest landholders in the Kiruna District.

OMH has agreed to subscribe for 19.99% of the Company based on the minimum subscriptions pursuant to the IPO Supplementary Prospectus (downloadable from www.scandinavianresources.com).

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