



22 March 2010

The Directors
Scandinavian Resources Ltd
Ground Floor
28 Ord Street
West Perth WA 6005

Dear Sirs

Purpose of Report & Consent

The report below has been prepared by GeoPartner AB for Scandinavian Resources Ltd (SCR) in relation to its proposed listing on the Australian Securities Exchange (ASX). GeoPartner AB consents to SCR providing a copy of this report to ASX.

This report provides a general overview of relevant legislation concerning the holding of interests in exploration and mining permits/concessions under Swedish and Norwegian laws. It also discusses matters that may restrict exploration activities on SCR's permits.

Information on GeoPartner AB

By way of background information, GeoPartner AB was established by Mr Örjan Einarsson in 1992 as a company consulting in the area of geological economy and permit management in Sweden and Norway. GeoPartner AB has since that time been consulting to a number of companies actively exploring and mining in Scandinavia and accordingly GeoPartner AB is qualified to make the statements in this report.

As principal of GeoPartner AB, Mr Einarsson has a Bachelor's Degree 1968, from Stockholm University, Geological department and a Master's degree 1970, Stockholm University, Geological department. Mr Einarsson was employed as Geologist, Government Geologist and Chief Government Geologist at the Sweden Geological Survey 1970-85, working with ore-geological and bedrock-geological tasks and thereafter employed as geologist and project supervisor at SGAB 1986-1992.

Independence

GeoPartner AB does not have an interest in SCR, its subsidiaries or the permits considered in this report.

GeoPartner AB have acted as permit managers and consulting geologists to SCR and its subsidiaries in Sweden and Norway and confirms it is familiar with the legal, environmental, landowner laws, regulations and policies that need to be managed by mining and exploration companies.

GeoPartner AB was contracted to lodge SCR's pre-claims in Norway and advised on its permit applications in Sweden.

GeoPartner AB will charge SCR a fee for preparing this report.

Responsibility for Information Contained in this Report

GeoPartner AB has made its own enquiries in relation to general matters pertaining to Preclaims and Permits in Norway and Sweden and has relied on SCR in relation to its specific Preclaims and Permits.

GeoPartner AB considers this reasonable however it AB takes no responsibility for any information provided to it by any government agency or SCR, if that information is incorrect. No other person or company can rely on or reproduce this report other than SCR and ASX.

This report does not detail matters pertaining to claims or exploitation concessions (mining activities) due to the early stage nature of SCR's exploration activities in Sweden and Norway.

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Sweden mining laws and regulation – general overview

A guide to the mineral legislation and regulations in Sweden has been prepared by the Sweden Geological Survey and can be downloaded from their web site at www.sgu.se. It is a comprehensive general overview of the mining legislation. It has not been reproduced in this report but has been included as an Appendix.

For this reason we have not summarised the Sweden laws and regulations in this report but refer you to the Appendix.

The result of our enquiries confirms that SCR has made valid applications for permits in Sweden, details of which are set out in the attached Appendix. We are not aware of any matter that would restrict SCR from exploration activities on the permits (including native title) if the activities are carried out in accordance with the Swedish mining and environmental law. We recommend that SCR maintains open communication with landowners and native title rights holders.

Norway mining laws and regulation – general overview

A Preclaim gives the holder the right to explore for minerals within the Preclaim area. The maximum area of a Preclaim is 300,000m² and a Preclaim is a prerequisite to being granted a Claim. A Preclaim is valid for 7 years however if the annual renewal fee is not paid by the annual due date the Preclaim will lapse. A holder of a Preclaim must within the 7 year period lodge an application for a Claim otherwise the Preclaim will lapse. Other than payment of the annual fee there are no other requirements that SCR must meet to remain a valid holder of Preclaims.

A Claim provides the right to extract all Claimable minerals within the Claim area. The maximum area of a Claim is 300,000m². A Claim continues indefinitely once granted (no expiry) so long as the holder pays the annual fee. If the fee is not paid by the due date the Claim will lapse. The Directorate of Mining will only grant a Claim to the holder if it can provide sufficient exploration evidence to support a production plan that will generate economic returns.

There is no impediment to transferring Preclaims and Claims, subject to approval of the Directorate of Mining.

The results of our enquiries confirm that SCR has made valid applications for Preclaims in Norway and that there are no outstanding annual fees. Details of the Preclaims are set out in the attached Appendix. We are not aware of any matter that would restrict SCR from exploration activities on the permits (including native title) if the activities are carried out in accordance with the Norwegian mining and environmental law.

Special Conditions & Encumbrances

After due enquiry of our own records and available Government information, it is GeoPartner AB's opinion that there are no special conditions attaching to any of SCR's exploration permits that would restrict exploration activities if the exploration activities are carried out in accordance with the mining and environmental law.

Litigation

GeoPartner AB is not aware of any litigation, pending or actual in relation to the Company's permits.

Restrictions

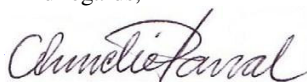
Geo Partner AB is not aware of any restrictions that would prohibit SCR from exploring its Preclaims or Permits if the exploration activities are carried out in accordance with the Swedish mining and environmental law.

Prospectus

We previously reviewed the "General Guide to the mineral legislation regime in Sweden and Norway" contained in Section 4 on pages 32 – 36 of Scandinavian Resources Ltd's Prospectus dated 6 November 2009 (the "Prospectus"). We confirm that the information in the Prospectus is correct. Geo Partner AB previously consented to the inclusion of a letter contained on page 80 of the Prospectus in relation to permits applied for by the Company's subsidiary in Norway.

If you have any questions you are welcome to contact us.

Kind regards,



Annelie Pavval
M.Sc. Mech. Eng.

GeoPartner AB
Storgatan 22
S-912 33 Vilhelmina
Sweden

Phone:
+46 (0)940 13401

Fax:
+46 (0)940-134 31

e-mail:
pavval.geopartner@vilhelmina.ac

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GUIDE TO MINERAL LEGISLATION AND REGULATIONS IN SWEDEN

February 2006



SGU

Sveriges geologiska undersökning
Geological Survey of Sweden

A GUIDE TO

Mineral legislation and regulations in Sweden, particularly the Minerals' Act (1991:45)

This guide is an introduction to the Swedish mineral legislation and regulations. The guide has however no official status. Those who want to know the exact wording of the Acts are referred to the Swedish law text.

KIND OF LAND COVERED

The Act is applicable to exploration and exploitation on land no matter what is the ownership. (See limitations p. 3.)

MINERALS COVERED BY THE ACT

The mineral substances (concession minerals) covered by the Act are:

- 1) antimony, arsenic, beryllium, bismuth, cesium, chromium, cobalt, copper, gold, iridium, iron occurring in the bedrock, lanthanum and lanthanide series, lead, lithium, manganese, mercury, molybdenum, nickel, niobium, osmium, palladium, platinum, rhodium, rubidium, ruthenium, scandium, silver, strontium, tantalum, thorium, tin, titanium, tungsten, uranium, vanadium, yttrium, zinc and zirconium,
- 2) alum shale, andalusite, apatite, baryte, brucite, refractory clay or clinkering clay, coal, fluorspar, graphite, kyanite, magnesite, nepheline syenite, pyrite, pyrrhotite, rock salt or other similar salt deposits, sillimanite and wollastonite,
- 3) oil, gaseous hydrocarbons and diamonds.

Other minerals, not mentioned above, belong to the landowner.

PERMIT – CONCESSION

Exploration may be carried out only by the holder of an exploration permit (exceptions: See Minerals' Act Chapter 1 Section 4) and exploitation only by the holder of an exploitation concession.

OWNERSHIP – RESTRICTIONS

There are no restrictions to foreigners obtaining exploration permits and exploitation concessions.

An exploration permit or an exploitation concession may be transferred after consent by the issuing authority.

EXPLORATION PERMIT

Area

An exploration permit is granted for a specific area where there is some likelihood of a successful discovery being made. It should be of suitable shape and size and no larger than may be assumed can be explored by the permit-holder in an appropriate manner.

Within a distance of 1000 metres from an exploitation concession with a mine in operation an exploration permit must not be granted but for the concession-holder. If mining operation does not commence within three years from the granting of the concession, exploration permits can be issued until the mining activity begins.

Prerequisites

An exploration permit shall be granted, if there is reason to assume that exploration in the area can lead to the discovery of a concession mineral. A permit shall however not be granted if it is obvious that the applicant has not the possibility or intention to conduct appropriate exploration or has earlier shown unsuitable to conduct exploration work.

A permit for exploration with regard to oil, gaseous hydrocarbons or diamonds may only be granted to a person who can prove that he is suitable to carry out such exploration work.

Time

An exploration permit is valid for a period of three years from the date of issue. After that, on application, it may be extended by another period of up to a maximum of three years if suitable exploration has been carried out within the area. The same is valid if the permit-holder has plausible excuses for exploration not yet having been carried out but nonetheless shows it likely that the area will be explored during the period referred to in the application.

In exceptional cases the period of validity of the permit may be further extended but for no more than a total of four years and in extreme cases by a further maximum of five years.

This means that the longest possible valid period for any one permit is fifteen years.

Moratorium – waiting period

When an exploration permit has expired, an application will not be considered for the same area or part of it during the first year after the permit was terminated. If special reasons apply, the Mining Inspector may allow an exception to be made from that provision.

Limitations

Exploration and exploitation cannot be carried out in national parks. Such activities are also seldom permitted in the following areas:

- those included in detailed town plans or in regional provisions according to the Planning and Building Act (1987:10),
- within 30 metres from public roads, railways, canals or airports,
- within 200 metres of any inhabited building,
- areas occupied by electric power stations or industrial plants,
- within 200 metres from churches or other assembly halls, educational institutions, hotels or boarding houses, hospitals or other comparable establishment intended for more than 50 persons,

- areas of fortification,
- churchyards or other burial grounds,
- certain areas in the Swedish mountains.

Before any exploration work starts, which can have a significant impact on the natural environment, notice of consultation shall be made to the supervisory authority (The County Administrative Board) in accordance with the provisions in the Environmental Code (1998:808) Chapter 12 Section 6.

Working plan

Before exploration work begins the permit-holder has to set up a working plan. The plan shall contain a description of the work planned, a timetable and an assessment of the impact on private rights and public interests. The plan shall be communicated to all landowners and other parties affected. A working plan will enter into force if there are no objections. It will also enter into force if the applicant and the objecting party can agree on the plan. If they cannot agree, the matter can be tried by the Mining Inspector, who in some cases can set up conditions for the exploration work

Damage

The explorer has to submit security for the compensation of damage and encroachment from exploration work. Before any work can start the sum of security has to be guaranteed.

Reports

When an exploration permit is terminated without the granting of an exploitation concession within the exploration area, the permit-holder shall – if he is carrying on exploration work professionally – within three months at the latest provide a report of exploration performed. A map of the explored area shall be appended to the report.

The report shall state:

- who has conducted the exploration work,
- the kind of exploration carried out,
- the extent of the exploration and,
- the results.

EXPLOITATION CONCESSION

Area

A concession is valid for a definite area, which is decided on the basis of the extent of the deposit, the purpose of the concession and other circumstances.

Prerequisites

A concession shall be granted if

- a mineral deposit has been found which can probably be exploited economically,
- the location and nature of the deposit does not make it inappropriate that the applicant is granted the concession requested and
- in the case of oil and gas, the applicant is considered appropriate for the exploitation of the deposit.

The Environmental Code (1998:808) shall be applicable in matters concerning the granting of a concession, which means, *inter alia*, that an Environmental Impact Assessment (EIA) shall be contained in an application for a concession.

Time

An exploitation concession is granted for a period of 25 years unless the applicant requests a shorter period of time.

The concession period is extended by ten years at a time without application if regular exploitation is in progress when the period of validity expires. A shorter period may be decided at the request of the concession-holder.

Designation of land

A legal proceeding for designation of land is held at the request and cost of the concession-holder. (See Minerals Act Chapter 9 Section 20.)

This determines land within the concession area, which the concession-holder may use for exploitation of the mineral deposit. A decision is also taken regarding the land, within or outside the concession area, which the concession-holder may use for activities related to the exploitation. In this connection the nature of the activity shall be stated.

When an exploitation concession is terminated, the concession-holder shall, at that date, forfeit the right to land assigned to him.

Minerals fee

When mining, the holder of an exploitation concession must pay an annual minerals fee to the landowners of the concession area and the state. The fee is 2 promille of the average value of the concession minerals mined, 1.5 promille of which is paid to the landowners to be distributed among them in proportion to their share of the concession area. The remaining 0.5 promille is paid to the state to be used for research and development in the field of sustainable development of mineral resources.

OTHER ACTS AFFECTING EXPLORATION AND EXPLOITATION

Among the acts with provisions affecting the activities referred to in the Minerals Act are the following:

Planning and Building Act (1987:10), *Plan- och bygglagen*

Environmental Code (1998:808), *Miljöbalken*

Act (1988:950) concerning the Cultural Heritage Management, *Kulturminneslagen*.

TAXES

Apart from the normal corporate tax, currently 28 percent, there are no additional special tax regulations appertaining to mining.

Fees related to mineral exploration and exploitation

An applicant in matters under the Minerals Act shall pay an application fee and an exploration fee to the Mining Inspector at the same time as the application is submitted. The application fee is SEK 500 for each exploration area and every new 2 000 hectares of each area. The exploration fees are related to the area of interest.

For the first three years exploration period the fees are as follows:

For diamonds, oil and/or gaseous hydrocarbons	SEK 2 per hectare
For other minerals	SEK 20 per hectare

The minimum fee is SEK 100 and it covers the entire three-year period of validity.

If the period of validity is extended, the fee for years four to six is:

For diamonds, oil and/or gaseous hydrocarbons	SEK 2 per hectare and year
For other minerals	SEK 21 per hectare and year

The minimum fee is SEK 200.

Further extended periods have still higher fees.

All fees shall be paid in advance for the exploration period or the extended period. If an area is reduced during the exploration the fee will be partially reimbursed.

The application fee for an exploitation concession is SEK 80 000 for each area.

Authorities

Compliance with the Minerals Act is governed by the Mining Inspector. Applications for permits or concessions should be sent to one of the Mining Inspector's two offices (Luleå or Falun).

Further questions concerning exploration and mining can be directed to the Mining Inspectorate.
www.bergsstaten.se

Head office:

Varvsgatan 41
S-972 32 LULEÅ
Telephone +46 920 23 79 00
Telefax +46 920 695 07
E-mail: mineinspect@bergsstaten.se
E-mail: janolof.hedstrom@bergsstaten.se
(mining inspector)

Regional office:

Slaggatan 13
S-791 71 FALUN
Telephone +46 23 255 05
Telefax +46 23 640 63
E-mail: gunnar.svanfeldt@bergsstaten.se

The Geological Survey of Sweden gives general information on geological and related matters as well as advice on legal matters in connection with the mineral policy etc.

www.sgu.se

Geological Survey of Sweden
Box 670
S-721 28 UPPSALA
Telephone +46 18 17 90 00
Telefax +46 18 17 92 10
E-mail: sgu@sgu.se

The Geological Survey also has a mineral information office in Malå in northern Sweden, which is intended to serve the needs of mineral exploration.

www.minko.se

Geological Survey of Sweden
Mineral Information Office
Skolgatan 4
S-930 70 MALÅ
Telephone +46 953 346 00
Telefax +46 953 216 86
E-mail: mala@sgu.se

Compliance with the Minerals Act is governed by the Mining Inspector. Applications for permits or concessions should be sent to one of the Mining Inspector's two offices (Luleå or Falun). Further questions concerning exploration and mining can be directed to the Mining Inspectorate.

MINING INSPECTORATE

www.bergsstaten.se

Head office:

Varvsgatan 41

SE-972 32 Luleå

Tel: +46 920 23 79 00

Fax: +46 920 695 07

E-mail: mineinspect@bergsstaten.se

E-mail: janolof.hedstrom@bergsstaten.se
(mining inspector)

Regional office:

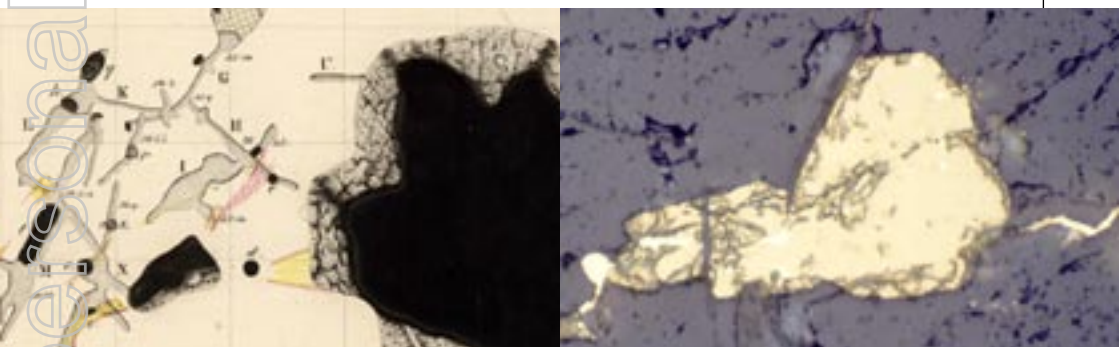
Slaggatan 13

SE-791 71 Falun

Tel: +46 23 255 05

Fax: +46 23 640 63

E-mail: gunnar.svanfeldt@bergsstaten.se



www.sgu.se

Geological Survey of Sweden

Head Office:

Villavägen 18

Box 670

SE-751 28 Uppsala

sgu@sgu.se

Branch Offices:

Guldhedsgatan 5A

SE-413 20 Göteborg

goteborg@sgu.se

Kiliansgatan 10

SE-223 50 Lund

lund@sgu.se

Skolgatan 4

SE-930 70 Malå

mala@sgu.se

Box 16247

SE-103 24 Stockholm

stockholm@sgu.se

