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**SCANDINAVIAN RESOURCES LTD**

**ACN 132 035 842**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10.00 am (WST)  
**DATE:** Friday 19 November 2010  
**PLACE:** The Park Centre  
45 Ventnor Avenue  
WEST PERTH WA

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9324 1153***

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00 am (WST) on Friday 19 November 2010 at:

The Park Centre  
45 Ventnor Avenue  
WEST PERTH WA

**YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return to the Company by:

- (a) post to Scandinavian Resources Ltd PO Box 1668, West Perth, WA, 6872; or
- (b) facsimile to Scandinavian Resources Ltd facsimile number (+61 8) 9324 3366; or
- (c) email to the Company at michaelc@scandinavianresources.com,

so that it is received not later than 10.00 am (WST) on Wednesday, 17 November 2010.

**Proxy Forms received later than this time will be invalid.**

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders will be held at 10.00 am (WST) on Friday 19 November 2010 at The Park Centre, 45 Ventnor Avenue, West Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 7.00 pm (Sydney time) on Wednesday, 17 November 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

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#### ORDINARY BUSINESS

##### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2010 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2010."*

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#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PAUL THOMAS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 11.12 of the Constitution and for all other purposes, Mr Paul Thomas, a Director who was appointed on 17 May 2010, retires, and being eligible, is re-elected as a Director."*

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#### 3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – IAN GREGORY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 11.3 of the Constitution and for all other purposes, Mr Ian Gregory, a Director who retires by rotation, and being eligible, is re-elected as a Director."*

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#### 4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 882,353 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 5. RESOLUTION 5 – PLACEMENT – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 30,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 6. RESOLUTION 6 – NON-EXECUTIVE DIRECTORS’ REMUNERATION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of clause 11.15 of the Constitution, Listing Rule 10.17 and all other purposes, the Company approves the maximum aggregate amount that may be paid to Non-Executive Directors as remuneration for their services in each financial year be set at \$250,000 which may be divided among those Directors in the manner determined by the Board of the Company from time to time.”*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a Director of the Company and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**7. RESOLUTION 7 – APPOINTMENT OF AUDITOR**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of section 327B(1)(a) of the Corporations Act and for all other purposes, KPMG Australia having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company.”*

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**DATED: 1 October 2010**

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read 'I.E. Gregory', with a large, stylized loop at the end.

**IAN GREGORY  
SCANDINAVIAN RESOURCES LTD  
DIRECTOR**

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10.00 am (WST) on Friday 19 November 2010 at The Park Centre, 45 Ventnor Avenue, West Perth, Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### **1. FINANCIAL STATEMENTS AND REPORTS**

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2010 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at [www.scandinavianresources.com](http://www.scandinavianresources.com).

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### **2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2010.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

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### **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PAUL THOMAS**

Clause 11.12 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Paul Thomas will retire in accordance with clause 11.12 of the Constitution and being eligible seeks re-election.

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#### 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – IAN GREGORY

Clause 11.3 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Company currently has 4 Directors and, as Mr Paul Thomas is retiring and seeking re-election pursuant to Resolution 2, an additional Director must retire.

A Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election.

Mr Ian Gregory retires by rotation and seeks re-election.

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#### 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES

##### 5.1 General

On 28 June 2010, the Company issued 588,235 Shares at 17 cents each as consideration for the execution of the joint venture agreement between the Company and Tasman Metals.

On 22 September 2010 a further 294,118 Shares at 17 cents each were issued on renewal of the Sautusvaara nr 1 permit which completed the joint venture agreement with Tasman Metals

The subscriber pursuant to this issue was not a related party of the Company.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

##### 5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 882,353 Shares were allotted;
- (b) the issue price was \$0.17 per Share;

- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to Tasman Metal Limited (TSXV: TAS); and
- (e) the Shares were issued as consideration for the joint venture agreement and no funds were raised from this issue.

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## **6. RESOLUTION 5 – PLACEMENT - SHARES**

### **6.1 General**

Resolution 5 seeks Shareholder approval for the allotment and issue of up to 30,000,000 Shares at an issue price of at least 80% of the average market price for shares calculated over the last five days on which sales in shares are recorded before the day on which the issue is made, or, if there is a prospectus relating to the issue, over the last five days on which sales in shares are recorded before the date of the prospectus (**Share Placement**).

None of the subscribers pursuant to this issue will be related parties of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The effect of Resolution 5 will be to allow the Directors to issue the Shares pursuant to the Share Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **6.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- (a) the maximum number of Shares to be issued is 30,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be not less than 80% of the average market price for shares calculated over the last five days on which sales in shares are recorded before the day on which the issue is made, or, if there is a prospectus relating to the issue, over the last five days on which sales in shares are recorded before the date of the prospectus
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Share Placement towards working capital purposes.

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**7. RESOLUTION 6 – NON-EXECUTIVE DIRECTORS' REMUNERATION**

Clause 11.15 of the Constitution requires that the maximum aggregate remuneration that may be paid to non-executive directors of the Company be set by the Company in a general meeting.

The maximum aggregate remuneration that may be paid to Non-Executive Directors of the Company has not previously been set. Accordingly, Resolution 6 seeks Shareholder approval to set the maximum aggregate remuneration that may be paid to Non-Executive Directors at \$250,000 per annum. This aggregate amount has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

The Company currently has 2 Non-Executive Directors, being Mr Paul Thomas (subject to being re-elected pursuant to Resolution 2) and Mr Ian Gregory (subject to being re-elected pursuant to Resolution 3). For each of the past 2 years, the Non-Executive Directors of the Company have received total annual remuneration as follows:

<b>Director</b>	<b>Remuneration 2010</b>	<b>Remuneration 2009</b>
Mr Paul Thomas	\$3,125	Nil
Mr Ian Gregory	\$6,250	Nil

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**8. RESOLUTION 7 – APPOINTMENT OF AUDITOR**

KPMG Australia were appointed as auditors for the Company pursuant to Section 327A(1) of the Corporations Act. An auditor appointed under this provision holds office until the first annual general meeting of Shareholders.

Resolution 7 seeks Shareholder approval for the appointment of KPMG Australia as auditor for the Company.

In accordance with Section 328B(1) of the Corporations Act, the Company has obtained a nomination from a Shareholder for KPMG Australia to be appointed as auditor for the Company. A copy of this nomination is attached as Annexure A.

In accordance with Section 328A(1) of the Corporations Act, KPMG Australia has provided the Directors with written notification of its consent to act as auditor for the Company subject to Shareholder approval of Resolution 7.

If Resolution 7 is passed, the appointment of KPMG Australia as auditor for the Company will take effect at the close of this Annual General Meeting.

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**9. ENQUIRIES**

Shareholders are required to contact the Company Secretary on (+ 61 8) 9324 1153 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian dollars.

**Annual General Meeting** means the meeting convened by the Notice of Meeting.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** means Scandinavian Resources Ltd (ACN 132 035 842).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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**ANNEXURE A – NOMINATION OF AUDITOR**

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Scandinavian Resources Ltd  
28 Ord Street  
West Perth  
WA, 6005

Dear Sirs,

I, Amanda Arrowsmith, being a member of Scandinavian Resources Ltd (**Company**), nominate KPMG Australia in accordance with Section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by Section 328B(3) of the Act.

Signed and dated 24 September 2010:

A handwritten signature in black ink, appearing to read 'Amanda Arrowsmith', written in a cursive style.

**Amanda Arrowsmith**

**PROXY FORM**

**APPOINTMENT OF PROXY  
SCANDINAVIAN RESOURCES LTD  
ACN 132 035 842**

**ANNUAL GENERAL MEETING**

I/We

of

being a member of Scandinavian Resources Ltd entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR  the Chair of the Annual General Meeting as my/our proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at 10.00 am (WST), on Friday 19 November 2010 at The Park Centre, 45 Ventnor Avenue, West Perth, Western Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

**Voting on Business of the Annual General Meeting**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Director – Paul Thomas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-election of Director – Ian Gregory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Ratification of Prior Issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Placement - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Non-Executive Director Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

**Signature of Member(s):**

**Date:** \_\_\_\_\_

**Individual or Member 1**

**Sole Director/Company Secretary**

**Member 2**

**Director**

**Member 3**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

**SCANDINAVIAN RESOURCES LTD**  
**ACN 132 035 842**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the Company, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return to the Company by:
  - post to Scandinavian Resources Ltd PO Box 1668, West Perth, WA, 6872; or
  - facsimile to Scandinavian Resources Ltd on facsimile number (+61 8) 9324 3366; or
  - email to the Company at michaelc@scandinavianresources.com,

so that it is received not later than 10.00 am (WST) on Wednesday, 17 November 2010.

**Proxy Forms received later than this time will be invalid.**