



ASX Announcement / Media Release

2 August 2011

Cleansing Prospectus

Fast Facts

ASX Code: SCR
SCRO

Capital Structure

Shares on issue: 74.8m
Options on issue: 65.7m (ex 20c – 75c)
Market cap: \$29.9m (undiluted)

Board of Directors

Damian Hicks Chairman
Olof Forslund Technical Director
Ian Gregory Director & Company Secretary
Paul Thomas Non-executive Director
Markus Bachmann Non-executive Director

Primary Projects

Sweden

Kiruna Iron
Swampy Mountain Iron-copper-gold & PGE

Norway

Lake Embrace Copper-lead-zinc

Project Pipeline

Commodities

Manganese
Gold
Copper
Copper-gold
Copper-lead-zinc

The primary purpose of the attached Prospectus is to remove any trading restrictions that may have attached to the Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

For further information please contact:

Ian Gregory
Director/ Company Secretary
Scandinavian Resources Ltd
+61 8 93241153 (T)
www.scandinavianresources.com (W)

Scandinavian Resources Ltd Summary

By way of introduction Scandinavian Resources':

- strategy is to 'incubate' a highly prospective portfolio of iron, manganese, gold, PGE and base metals projects in Scandinavia (primarily Sweden and Norway).
- Technical Director Mr. Olof Forslund was previously Regional Manager of the Geological Survey of Sweden's Mineral Resources Information Office in Malå, Sweden.
- is one of the largest landholders (by area) of minerals exploration projects in Sweden and one of the largest landholders in the world class Kiruna IOCG District.
- exploration projects are the Kiruna iron Project (Kiruna District, Sweden), Lake Embrace copper-lead-zinc-silver Project (Nordland District, Norway) and Swampy Mountain iron-copper-gold plus PGE Project (Skellefte District, Sweden).
- flagship Kiruna iron Project is 30km from the 2Bt Kiruna iron mine (owned by LKAB) – the world's largest and most modern underground iron mine.
- 'pipeline' of projects cover manganese, gold, copper-gold and lead-zinc prospects in Sweden and Norway.

Please visit www.scandinavianresources.com for a detailed summary of the Company's projects.

EXPLORING THE SCANDINAVIAN SHIELD

Ground Floor, 28 Ord Street, West Perth, Western Australia | P O Box 1668, West Perth, WA 6872, Australia

T: +61 8 9324 1153 F: +61 8 9324 3366 | www.scandinavianresources.com

Facebook: Scandinavian Resources | Twitter: scanres

ACN: 132 035 842 | ASX: SCR

SCANDINAVIAN RESOURCES LTD
ACN 132 035 842

PROSPECTUS

For the offer of 125 Shares in the capital of the Company at a price of \$0.40 per Share to raise up to \$50.

This Prospectus has been prepared for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

TABLE OF CONTENTS

1.	SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES	1
2.	CORPORATE DIRECTORY	2
3.	DETAILS OF THE OFFER.....	3
4.	UPDATE ON ACTIVITIES AND PURPOSE AND EFFECT OF THE OFFER	7
5.	RIGHTS AND LIABILITIES ATTACHING TO SHARES.....	10
6.	RISK FACTORS	12
7.	ADDITIONAL INFORMATION.....	18
8.	DIRECTORS' AUTHORISATION	25
9.	DEFINITIONS	26

1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

TIMETABLE AND IMPORTANT DATES

Lodgement of Prospectus with the ASIC and ASX	2 August 2011
Opening Date	2 August 2011
Closing Date	15 November 2011
Expected date of Official Quotation of the Shares	18 November 2011

*The Company reserves the right to extend the Closing Date or close the Offer early without notice.

IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 2 August 2011 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The Expiry Date of the Prospectus is 13 months after the date the Prospectus was lodged with the ASIC. No Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

RISK FACTORS

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus. For further information in relation to the risk factors of the Company please refer to Section 6 of this Prospectus.

2. CORPORATE DIRECTORY

Directors

Mr Damian Hicks
Chairman

Mr Olof Forslund
Technical Director

Mr Ian Gregory
Director

Mr Markus Bachmann
Non-Executive Director

Mr Paul Thomas
Non-Executive Director

Share Registry*

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000

Telephone: 1300 787 272

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Company Secretary

Mr Ian Gregory

Registered Office

Ground Floor
28 Ord Street
WEST PERTH, WA 6005

Telephone: (08) 9324 1153
Facsimile: (08) 9324 3366

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

3. DETAILS OF THE OFFER

3.1 Offer

By this Prospectus, the Company invites investors identified by the Directors to apply for a total of 125 Shares at an issue price of \$0.40 per Share payable in full on application to raise \$50.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

3.2 Objectives

The Company is seeking to raise only a nominal amount of \$50 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to the Shares issued by the Company prior to the Closing Date.

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body;
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

3.3 Opening and Closing Dates of the Offer

The Opening Date of the Offer will be 2 August 2011 at 9:00am WST and the Closing Date will be 15 November 2011 at 5:00pm WST. The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

3.4 Application for Shares

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.40 per Share.

Completed Application Forms and accompanying cheques must be mailed or delivered to:

By Hand:

Scandinavian Resources Ltd
Ground Floor, 28 Ord Street
WEST PERTH WA 6005

Or by Mail:

Scandinavian Resources Ltd
PO Box 1668
WEST PERTH WA 6872

Cheques should be made payable to "Scandinavian Resources Ltd - Share Offer Account" and crossed "Not Negotiable". Completed Application Forms must reach the address set out above by no later than the Closing Date.

3.5 Minimum Subscription

The minimum subscription to be raised pursuant to this Prospectus is \$50. In the event the minimum subscription is not achieved within four (4) months of the date of lodgement of the Prospectus with the ASIC, no Shares will be issued to any of the Applicants, all application monies will be returned and all applications will otherwise be dealt with in accordance with the Corporations Act.

3.6 Allotment of Shares

Allotment of Shares will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until allotment. This account will be established and kept by the Company in trust for each applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place and each applicant waives the right to claim any interest.

The Directors will determine the allottees of all the Shares. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for.

Where the number of Shares allotted is less than the number applied for, the surplus monies will be returned by cheque as soon as practicable after the Closing Date. Where no allotment is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on monies refunded.

3.7 Underwriter

The Offer is not underwritten.

3.8 Australian Securities Exchange Listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.9 Restrictions on the Distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHESS for those investors who have a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with separate statements (similar to a bank account statement) that set out the number of Shares and Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.11 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

3.12 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary Mr Ian Gregory on (08) 9324 1153.

4. UPDATE ON ACTIVITIES AND PURPOSE AND EFFECT OF THE OFFER

4.1 Update on Activities

The Company's wholly owned subsidiary Kiruna Iron AB (incorporated in Sweden) (Kiruna), is currently in negotiations with another company for an exploration and exploitation agreement in relation to certain permits held by that company located in northern Sweden (Permits).

Under the proposed arrangement, Kiruna may acquire the right to explore the Permits exclusively for iron ore subject to meeting certain exploration expenditure criteria. If Kiruna moves to commercialise the iron ore on the Permits the parties will agree in good faith to negotiate and enter into a formal agreement.

In relation to the above, no agreement has been entered into and there can be no guarantee that the parties will finalise negotiations or enter into a final agreement. Furthermore, if a final agreement is entered into, there can be no guarantee it will be on the terms summarised above. The Company will release the material terms of any final agreement on ASX if finalised and entered into.

Furthermore, the Company is in discussions with institutional banks in North America, the United Kingdom and Scandinavia with a view to receiving corporate advice and funding assistance to develop the Company's assets. It is anticipated that a binding mandate with one or more institutions will be entered into by the Company during the third quarter of 2011.

4.2 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to the Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

The effect of the Offer on the capital structure of the Company is set out below.

Shares

	Maximum Subscription (Number)
Shares currently on issue	74,871,496
Shares offered pursuant to the Offer	125
Total Shares on issue after the Closing Date	74,871,621

Options

	Number
Options currently on issue	
Listed Options exercisable at 25 cents on or before 31 October 2011	30,487,468

Options exercisable at \$0.20 each on or before 31 October 2012 classified as restricted securities escrowed to 21 April 2012 at which time the Company will apply for quotation.	20,133,334
Options exercisable at \$0.20 each on or before 31 August 2011 classified as restricted securities escrowed to 21 April 2012 at which time the Company will apply for quotation.	2,500,000
Unlisted Options exercisable at \$0.20 each on or before 31 October 2012	8,533,340
Unlisted Options exercisable at \$0.25 each on or before 30 June 2013	400,000
Unlisted Options exercisable at \$0.50 each on or before 30 June 2013	300,000
Unlisted Options exercisable at \$0.75 each on or before 30 June 2013	300,000
Unlisted Options exercisable at \$0.40 on or before 15 December 2012	500,000
Unlisted Options exercisable at \$0.40 on or before 1 February 2013	1,000,000
Total Options on issue after the Closing Date	64,154,142

After expenses of the Offer of approximately \$10,000, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$50) will be met from the Company's existing cash reserves.

4.3 Financial effect

The Offer will have an effect on the Company's financial position. Set out below is the consolidated (unaudited) balance sheet of the Group as at 30 June 2011 and the consolidated balance sheet of the Group (pro-forma, unaudited) as at 30 June 2011, incorporating the effect of the Offer (before issue costs) and the other significant post 30 June 2010 items set out below:

	Unaudited Consolidated as at 30 June 2011 \$	Proforma as at 30 June 2011 \$
Current assets		
Cash and cash equivalents	128,430	128,480
Trade and other receivables	557,760	557,760
Total current assets	686,190	686,240
Non-current assets		
Trade and other receivables	213,196	213,196
Property, plant and equipment	80,157	80,157
Other financial assets	1	1
Total non-current assets	293,354	293,354
Total assets	979,544	979,594
Current liabilities		
Trade and other payables	1,769,887	1,769,887
Deferred Consideration	3,874,102	3,874,102
Other financial liabilities	2,191,191	2,332,102
Total current liabilities	7,835,180	7,976,091
Total liabilities	7,835,180	7,976,091
Net assets	(6,855,636)	(6,996,497)
Equity		
Issued capital	12,195,148	12,195,198
Reserves	2,260,422	2,119,511
Accumulated losses	(21,311,206)	(21,311,206)
Total equity	(6,855,636)	(6,996,497)

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) General meetings

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the Shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the Shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the Shares in respect of which the

dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, Shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

(e) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) Variation of rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6. RISK FACTORS

6.1 General

The Shares offered under this Prospectus should be considered speculative.

The business activities of the Company are subject to various risks that may impact on the future performance of the Company. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which Shares will trade.

A number of material risk factors are set out below. This list is not exhaustive and potential Applicants should examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for Shares.

6.1.1 Environmental

The Company's projects are subject to relevant laws and regulations relating to environmental matters. Should the Company proceed to development of one or more mines, it could be expected that such developments would have numerous environmental impacts which would require various statutory approvals to be put in place. There is no guarantee that such approvals would be granted. The Company intends to conduct its operations in an environmentally responsible manner and in accordance with relevant legislation. However, the Company is unable to predict the effect of future changes to environmental legislation or policy and the cost effect of such changes on its operations and financial position.

The Company also notes that it is too early to determine the exact nature of the various environmental approvals that may be required by the Company in respect of its proposed operations.

6.1.2 Market Conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

6.1.3 Transfer of Title, Rights or Interests in Exploration Permits

Whenever the Company acquires any exploration permit or certain rights therein, there is a risk that such a transfer may be deemed invalid in the event that such a transfer requires the consent of a third party where no such consent has been obtained or alternatively if there is insufficient evidence of such consent having been obtained. Such a failure exposes the Company to a risk that the validity of the transfer of the permit or the title or any rights therein may be called into question. This may also subject the Company to the possibility of legal action by the original owner of the permit or rights.

6.1.4 Development and Mining

Possible future development of mining operations at any of the Company's projects is also subject to numerous risks. The Company's operations may be delayed or prevented as a result of weather conditions, mechanical difficulties, shortage of technical expertise or equipment. There may be difficulties with obtaining government and/or third party approvals, operational difficulties encountered with extraction and production activities, unexpected shortages or increases in the price of consumables, plant and equipment, cost overruns or lack of access to required levels of funding.

If the Company commences production, its operations may be curtailed or disrupted by a number of risks beyond its control such as environmental hazards, industrial accidents and disputes, technical failures, unusual or unexpected geological conditions, adverse weather conditions, fires, explosions and other accidents.

The Company's operations may be adversely affected by higher than anticipated ore treatment costs, worse than anticipated metallurgical conditions, fluctuations in base and metal prices or lack of availability of smelter capacity.

No assurance can be given that the Company will achieve commercial viability through development of any of its projects.

6.1.5 Resource Estimations

Resource estimates are inherently imprecise as they are expressions of judgement at a particular time based on available information, interpreted using experience and resource modelling techniques. The estimates, while made by qualified professionals, may change over time as other information becomes available which differs from information known or predicted by past drilling, sampling and geological interpretation. Estimates remain subject to change which may adversely affect the Company's operations or the commercial viability of its projects.

6.1.6 Commodity and Currency Price Volatility

Commodity prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations. Just some of these influencing factors include: -

- (a) world demand for particular commodities;
- (b) the level of production costs in major commodity producing regions; and

(c) expectations regarding inflation, interest rates and exchange rates.

Any significant and/or sustained fluctuation in exchange rates or commodity prices could have a materially adverse effect on the Company's operations and its financial position.

6.1.7 Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. The Company will from time to time require further funding to develop its projects. Market conditions which are then generally prevailing will impact on the price or cost at which the Company will be able to raise such funds and no assurance can be given that such funding will be available on terms acceptable to the Company. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

6.1.8 Joint Ventures

The Company may wish to undertake future projects through joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to, the Company could be affected by the failure or default of any of the joint venture participants.

6.1.9 Competition Risks

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

6.1.10 Insurance Risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

6.1.11 Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities

6.2 Specific and Key Risks

6.2.1 Exploration

Exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there is no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical or logistical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.

6.2.2 Future Funding

The funds raised by the Offer will be used to carry out work on projects as detailed in this Prospectus. The Company may require additional funding to carry out further exploration, undertake feasibility studies, develop mining operations and/or acquire new projects. Any additional financing through share issues may dilute shareholdings acquired under this Prospectus. Debt financing may not be available to support the scope and extent of proposed developments. If available, it may impose restrictions on operating activities or anticipated expansion of the Company's operations.

6.2.3 Limited Operating Experience and Reliance on Key Personnel

While its Directors and management team have significant experience in the mining exploration industry, the Company has only very limited operating experience. If growth objectives are to be met, this will depend on the ability of the Directors and management to implement the current exploration strategies and to adapt, where necessary, to accommodate and manage any unforeseen difficulties. Initially, the Company will rely heavily on the experience of its existing Directors. The loss of the services of certain personnel including Mr. Olof Forslund could have an adverse effect on the Company and its activities

6.2.4 Tenure and Access

Mining and exploration permits are subject to periodic renewal. There is no guarantee that current or future permits or future applications for production concessions will be approved. Permits are subject to numerous legislation conditions. The renewal of the term of a granted permit is also subject to the discretion of the relevant Mining Inspector. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Furthermore, if a permit is not renewed or granted, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that permit.

The Company's permits may also be subject to access by third parties including, but not limited to, the native Sami people. This access could potentially impact the Company's activities and/or may involve payment of compensation to parties whose existing access to the land may be affected by the Company's activities. The Company expects to hold discussions with the Sami people in the near future regarding the Company's proposed exploration programs.

6.2.5 Extraterritorial Risks

The Company has interests in assets overseas and in that respect such assets are subject to risks particular to their extraterritoriality such as changes in laws, practices and policies in the relevant jurisdictions, including laws that deal with overseas investors. In particular, logistical difficulties may arise due to the assets being located overseas including the incurring of additional costs with respect to overseeing and managing the same, including costs associated with taking advice in relation to the application of local laws as well as the cost of establishing a local presence in that jurisdiction and/or infrastructure as necessary. Fluctuations in the currency of the relevant jurisdiction may also affect the dealings and operations of the Company in such jurisdiction.

Scandinavia's risk profile is slightly greater than that of Western Australia's (Scandinavia was ranked 15th in the 2009 Resource Stocks World Risk Survey), whereas Western Australia was ranked 12th). Accordingly, investors in the Company may be exposed to an increased risk compared to other mineral companies with activities in Western Australia.

Furthermore, the Company is subject to the risks associated in operating in Sweden and Norway. Such risks could potentially include economic, social or political instability or change, hyperinflation, currency nonconvertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local residents or contractors or require other benefits to be provided to local residents.

Changes to the Sweden's and Norway's mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability. In particular, while there are currently no restrictions on the foreign ownership of mining companies in Sweden and Norway, there can be no assurance that the requirements of the various governments in respect of foreign ownership and control of mining companies will not change. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company's operations.

6.2.6 Foreign Exchange Risk

The Company has operations in countries where expenditure is required to be paid for in Swedish kroner and Norwegian kroner. Fluctuations in comparative exchange rates between the Australian dollar, Swedish kroner and Norwegian kroner may potentially result in a negative impact on the Company's capital and equity position.

6.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in Section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2010 audited financial statements on 1 October 2010:

Date	Description of Announcement
01/08/2011	ScanRes - Change of Interests of Substantial Holder
01/08/2011	ScanRes - 4th Quarter Cashflow Report
01/08/2011	ScanRes - 4th Quarter Activities Report
29/07/2011	ScanRes - JORC Resources Significantly Exceed Targets
25/07/11	ScanRes - Appendix 3B Options Exercised
22/07/11	ScanRes - General Meeting
13/07/11	Kiruna Iron Project - Update
11/07/11	ScanRes - Appendix 3B Options Exercised
08/07/11	ScanRes - Notice of General Meeting
04/07/11	Change of Interests of Substantial Holder from OMH
29/06/11	ScanRes - Appendix 3B
09/06/11	ScanRes - Appendix 3B Options Exercised
08/06/11	Kiruna Iron - Acquisition of Strategic Iron Permits
01/06/11	ScanRes - Appendix 3B Options Exercised
18/05/11	Change of Interests of Substantial Holder from OMH
18/05/11	Change of Interests of Substantial Holder from OMH
17/05/11	ScanRes - Appendix 3B Options Exercised
11/05/11	ScanRes - Kiruna Iron Project Drilling Update
06/05/11	Appendix 3B Options Exercised
02/05/11	ScanRes - 3rd Quarter Reports
27/04/11	ScanRes - Appendix 3B Options Exercised

18/04/11	ScanRes - Key Appointment
18/04/11	Scan Res - Kiruna Iron Drilling Update
14/04/11	ScanRes - Appendix 3B Options Exercised
12/04/11	ScanRes - Kiruna Iron Strategy Update
08/04/11	ScanRes - Appendix 3B Options Exercised
01/04/11	ScanRes - Iron Transport Seminar, Narvik Norway
29/03/11	ScanRes - Appendix 3B Options Exercised
22/03/11	ScanRes - Appendix 3B Options Exercised
17/03/11	Becoming a substantial holder
17/03/11	ScanRes - Appendix 3B Options Exercised
15/03/11	ScanRes - Appendix 3B
14/03/11	ScanRes - Financial Report for the Half Year
04/03/2011	Kiruna Iron Project - Drilling at Rakkurijarvi Prospect
02/03/2011	ScanRes - Appendix 3B Options Exercised
01/03/2011	ScanRes - Appendix 3B Options Exercised
23/02/2011	Kiruna Iron Project - Drilling at Sautusvaara Prospect
10/02/2011	ScanRes - Funding Update and Option Exercise
08/02/2011	ScanRes - Investor Presentation
08/02/2011	Scan Res- Option Exercise and Funding Update
31/01/2011	ScanRes - 2 nd Quarter Cash Flow Report
31/01/2011	ScanRes - 2 nd Quarter Activities Report
31/01/2011	Kiruna Iron Project – Vieto Drilling
21/01/2011	ScanRes - Initial Director's Interest notice
20/01/2011	ScanRes - Kiruna Iron Update
19/01/2011	ScanRes - Appointment of Director
17/01/2011	Response to ASX Price and Volume Query
31/12/2010	ScanRes - Securities Trading Policy
29/12/2010	ScanRes - Funding and Iron Exploration
22/11/2010	ScanRes - 2010 AGM Results

22/11/2010	ScanRes - 2010 AGM Presentation
15/11/2010	ScanRes - Anglo American and Rio Tinto
15/11/2010	ScanRes - Reinstatement to Official Quotation
05/11/2010	Update on Transactions
01/11/2010	ScanRes - 1 st Quarter Activities Report
29/10/2010	ScanRes - 1 st Quarter Activities Report
29/10/2010	Continuation of Voluntary Suspension
22/10/2010	Suspension from Official Quotation
20/10/2010	Trading Halt
13/10/2010	ScanRes - Notice of Meeting 2010 AGM
11/10/2010	ScanRes - High Grade Gold
11/10/2010	ScanRes - Kiruna Iron Project Update
08/10/2010	ScanRes - Kiruna Iron Project Update

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

7.2 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or the Offer.

Directors' relevant interests in securities of the Company at the date of this Prospectus and remuneration information for the last two financial years is set out below:

Name	Shares	Options	Total Remuneration (\$) 2010	Total Remuneration (\$) 2011
Damian Hicks	Nil	1,000,000 ¹	28,069	\$109,000
Ian Gregory	188,334 ²	438,334 ³	7,070	\$27,669
Olof Forslund	Nil	1,250,000 ⁴	41,695	\$197,562
Paul Thomas	Nil	Nil	3,648	\$27,531
Markus Bachmann	6,837,147 ⁵	6,100,000 ⁶	NIL	\$12,325

Notes

¹ Escrowed Options exercisable at \$0.20 each on or before 31 August 2011 and held through Acacia Investments Pty Ltd as trustee for the DPH account.

² These Shares are held by Carole Gregory.

³ 133,334 unlisted Options exercisable at \$0.20 each on or before 31 October 2012, 250,000 escrowed Options exercisable at \$0.20 each on or before 31 August 2011 and 55,000 listed Options exercisable at \$0.25 each on or before 31 October 2011, all held by Carole Gregory.

⁴ Escrowed Options exercisable at \$0.20 each on or before 31 August 2011.

⁵ These Shares are held through Craton Capital Fund.

⁶ Listed Options exercisable at \$0.25 each on or before 31 October 2011 and held through Craton Capital Fund.

The remuneration of the Directors for the 2011/2012 financial year is set out in the table below:

Name	Total Remuneration (\$) 2011/2012
Damian Hicks	\$114,450
Ian Gregory	\$28,613
Olof Forslund	\$245,250
Paul Thomas	\$28,613
Markus Bachmann	\$28,613

Notes

As at the date of this Prospectus the Directors have been paid fees from the start of the current financial year until the date of this Prospectus as follows: Damian Hicks - \$9,992, Ian Gregory - \$2,271, Olof Forslund - \$20,438, Paul Thomas - \$2,271 and Markus Bachmann - \$2,271.

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The maximum aggregate remuneration for non-executive Directors has been set at \$250,000.

Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

7.3 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer.

Steinepreis Paganin have acted as solicitors to the Company in respect of this Prospectus. Steinepreis Paganin will be paid approximately \$5,000 (excluding GST) for services in relation to this Prospectus. In the previous 2 years Steinepreis Paganin has received fees totally \$105,242 from the Company.

7.4 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.5 Litigation

The Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.6 Estimated Expenses of Offer

The total expenses of the issue are estimated to be approximately \$10,000 comprising legal costs, printing and other administrative expenses, including ASIC fees.

7.7 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: 63 cents per Share on 11 and 13 May 2011.

Lowest: 28 cents per Share on 27 June 2011.

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was 44 cents on 1 August 2011.

7.8 Electronic Prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on (08) 9324 1153 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Dated: 2 August 2011.

A handwritten signature in black ink that reads "Damian Hicks". The signature is written in a cursive style with a large initial 'D' and 'H'.

Mr Damian Hicks
Director
Signed for and on behalf of
SCANDINAVIAN RESOURCES LTD

9. DEFINITIONS

\$ means Australian dollars.

Applicant means an investor who applies for Shares pursuant to the Offer.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

ASX Listing Rules means the Listing Rules of the ASX.

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the date specified in Section 1 (unless extended or closed earlier).

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

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Directors means the directors of the Company as at the date of this Prospectus.

Offer means the offer of Shares referred to in the "Details of the Offer" section of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Prospectus means this prospectus.

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

Shareholder means a shareholder of the Company.

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

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

SCANDINAVIAN RESOURCES LTD

ABN

99 132 035 842

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Fully Paid Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 125 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary Fully Paid Shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes – the shares will rank equally with existing ordinary shares</p>						
<p>5 Issue price or consideration</p>	<p>40c per Share</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The Shares are being offered under the Company’s cleansing prospectus dated 2 August 2011</p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>18 November 2011</p>						
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="695 1554 995 1585">Number</th> <th data-bbox="995 1554 1289 1585">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1585 995 1688">54,738,286</td> <td data-bbox="995 1585 1289 1688">Ordinary fully paid shares</td> </tr> <tr> <td data-bbox="695 1688 995 1809">30,487,468</td> <td data-bbox="995 1688 1289 1809">Options exercisable at 25 cents on or before 31 October 2011</td> </tr> </tbody> </table>	Number	+Class	54,738,286	Ordinary fully paid shares	30,487,468	Options exercisable at 25 cents on or before 31 October 2011
Number	+Class						
54,738,286	Ordinary fully paid shares						
30,487,468	Options exercisable at 25 cents on or before 31 October 2011						

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	20,133,335	Fully paid ordinary shares classified as restricted securities escrowed to 21 April 2012.
	8,533,340	Options exercisable at \$0.20 each on or before 31 October 2012.
	20,133,334	Options exercisable at \$0.20 each on or before 31 October 2012 classified as restricted securities escrowed to 21 April 2012.
	2,500,000	Options exercisable at \$0.20 each on or before 31 August 2011 classified as restricted securities escrowed to 21 April 2012.
	400,000	Options exercisable at \$0.25 each on or before 30 June 2013.
	300,000	Options exercisable at \$0.50 each on or before 30 June 2013.
	300,000	Options exercisable at \$0.75 each on or before 30 June 2013.
	500,000	Options exercisable at \$0.40 on or before 15 December 2012.
	1,000,000	Options exercisable at \$0.40 on or before 1 February 2013.
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)		

Part 2 - Bonus issue or pro rata issue

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 11 Is security holder approval required?
- 12 Is the issue renounceable or non-renounceable?
- 13 Ratio in which the +securities will be offered
- 14 +Class of +securities to which the offer relates
- 15 +Record date to determine entitlements
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders

+ See chapter 19 for defined terms.

25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Despatch date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
-

+ See chapter 19 for defined terms.

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)		

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

A handwritten signature in black ink, appearing to read 'I. Gregory', with a large, stylized flourish below the name.

Ian Gregory
Director/Company Secretary
2 August 2011

+ See chapter 19 for defined terms.