
SCANDINAVIAN RESOURCES LIMITED

ACN 132 035 842

NOTICE OF GENERAL MEETING

TIME: 10.30 am (WST)

DATE: 10 August 2011

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

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

CONTENTS PAGE

| | |
|--|---|
| Notice of General Meeting (setting out the proposed resolutions) | 3 |
| Explanatory Statement (explaining the proposed resolutions) | 4 |
| Glossary | 7 |
| Proxy Form | |

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The general meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.30 am (WST) on 10 August 2011 at:

The offices of Scandinavian Resources Limited:
Ground Floor
28 Ord Street
WEST PERTH WA 6005

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

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 10.30 am (WST) on Monday, 8 August 2011.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the general meeting of Shareholders will be held at 10.30 am (WST) on 10 August 2011 at the offices of Scandinavian Resources Limited, Ground Floor 28 Ord Street West Perth WA 6005

The Explanatory Statement provides additional information on matters to be considered at the 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 General Meeting are those who are registered Shareholders of the Company at 5.00pm (Perth time) on 8 August 2011.

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

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF 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 8,200,000 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 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.

2. RESOLUTION 2 – CAPITAL RAISING

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 10,000,000 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.

DATED: 7 JULY 2011

BY ORDER OF THE BOARD



MR IAN GREGORY
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 10.30 am (WST) on 10 August 2011 at the offices of Scandinavian Resources Limited, Ground Floor 28 Ord Street West Perth WA 6005.

This 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 this Notice of Meeting.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

1.1 BACKGROUND

Through its wholly owned subsidiary Kiruna Iron AB (KIAB), the Company has acquired a portfolio of nine (9) iron permits from Swedish Company Grängesberg Iron AB (GIAB). The portfolio includes the acquisition of 100% of all the ownership interest in Scandinavian Iron AB (Org No. 556842-8899) (Scandinavian Iron AB), a new subsidiary established by GIAB, through the purchase of 500 outstanding Shares in Scandinavian Iron AB's capital stock (GIAB Transaction).

In full and final settlement of these Shares and in accordance with the Agreement, the Company will pay GIAB both a cash consideration of US\$2 million and transfer and deliver to GIAB 8,200,000 new shares in the Company.

The Company will issue these shares as soon as possible in accordance with Australian law. The Shares shall be delivered to GIAB who shall be registered as legal and beneficial owner of the Shares on or before 30 June 2011.

Completion of the GIAB Transaction shall take place on 15 November 2011 or on such other date as agreed between GIAB and the Company.

When combined with the Company's existing JORC resources and JORC exploration targets, the GIAB Transaction is consistent with the Company's long term strategy. JORC Inferred Mineral Resource and JORC Exploration Target update is scheduled for July 2011 on completion of Phase 1 drilling (10,000m), assaying and modelling. The acquisition further leverages the Company into the world class Kiruna Iron District and is an important step towards becoming a producer of premium quality magnetite concentrate.

1.2 General

On 30 June 2011, the Company issued 8,200,000 Shares to GIAB as part consideration for the sale of 100% of all the ownership interest in Scandinavian Iron AB, pursuant to the agreement made on 2 June 2011 between the Company and GIAB.

GIAB, the subscriber pursuant to this issue, is not a related party of the Company.

Resolution 1 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 retains 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.

1.3 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) 8,200,000 Shares were allotted;
- (b) the issue price was nil per Share, as they were issued as part consideration under the GIAB Transaction;
- (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 GIAB; and
- (e) no funds were raised from this issue as they were issued as part consideration under the GIAB Transaction.

2. RESOLUTION 2 – CAPITAL RAISING

2.1 General

Resolution 2 seeks Shareholder approval for the allotment and issue of 10,000,000 Shares (Capital Raising).

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 1.2 above.

The effect of Resolution 2 will be to allow the Directors to issue the Shares pursuant to a 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.

While the Company is seeking Shareholder approval pursuant to Resolution 2 to undertake the Capital Raising, the Company has made no firm commitment, plan or undertaking to complete the Capital Raising. The Company is seeking Shareholder approval for the Capital Raising to provide flexibility to raise additional capital in the future and following completion of the Transaction.

2.2 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 10,000,000;

- (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 5 days on which sales in the Shares were recorded before the day on which the issue was made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the Shares will be allotted and issued to sophisticated and professional investors as determined by the directors;
- (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 to fund exploration on the Company's precious metals, base metals and bulk minerals portfolio and working capital.

3. ENQUIRIES

Shareholders are requested to contact Mr Ian Gregory on (+ 61 8) 9324 1153 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Agreement means the agreement entered into on 2 June 2011 between the Company and GIAB.

ASIC means the Australian Securities and Investments Commission.

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 Limited (ACN 132 035 842)

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a person holding the office of a director, for the time being, of the Company.

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

General Meeting or Meeting means the meeting convened by the Notice.

GIAB means Grängesberg Iron AB.

Notice or Notice of Meeting or Notice of General Meeting means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

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.

PROXY FORM

APPOINTMENT OF PROXY
SCANDINAVIAN RESOURCES LIMITED
ACN 132 035 842

GENERAL MEETING

I/We

of

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

Appoint

Name of proxy

OR

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the 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 General Meeting to be held at 10.30 am (WST), on 10 August 2011 at the offices of Scandinavian Resources Limited, Ground Floor 28 Ord Street West Perth WA 6005 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 General Meeting

Resolution 1 – Ratification of Prior Issue of Shares

FOR

AGAINST

ABSTAIN

Resolution 2 – Capital Raising

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.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

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 LIMITED

ACN 132 035 842

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

1. (Appointing a Proxy): A member entitled to attend and vote at the 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 share registry or 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 General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the 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 General Meeting.
5. (Return of Proxy Form): To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Scandinavian Resources Limited, PO Box 1668 West Perth WA 6872; or
 - (b) facsimile to the Company on facsimile number +61 8 9324 3366; or
 - (c) email to the Company at michaelc@scandinavianresources.com,

so that it is received not later than 10.30 am (WST) on Monday, 8 August 2011.

Proxy forms received later than this time will be invalid.