



# **Takeover Offer Comments**

3 April 2012

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For further information regarding the takeover offer from Hannans Reward Ltd (“**Hannans**”), see Hannans’ Bidders Statement dated 20 March 2012. The Company’s security holders are encouraged to read the Bidder’s Statement and the Target’s Statement to be issued by the Company in full before deciding whether to accept the Hannans offer.

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# An Introduction to Scandinavian Resources (ASX:SCR)

- Incubating a pipeline of high quality minerals projects in Sweden and Norway
- Experienced Swedish and Norwegian based Management Team
- Owner of the Kiruna Iron Project (global JORC resources of 473Mt @ 40% Fe plus JORC Exploration Target of 203-273Mt @ 32-40% Fe<sup>1</sup>) located next to the largest iron mine in Europe and proximal to modern, open access infrastructure (rail, port, power, services) – refer Appendix A
- Extensive portfolio of copper-gold and lead-zinc-silver projects – refer Appendix B
- Top 20 shareholders include BlackRock Investment Management, Rio Tinto Exploration, Anglo American Exploration and Craton Capital Funds

<sup>1</sup> The JORC Exploration Targets have been subjected to diamond drill testing, ground geophysics and interpretation by the Geological Survey of Sweden, reviewed by Mr Thomas Lindholm of GeoVista AB. The potential quantity and grade of the exploration targets is conceptual in nature, there has been insufficient interpretation to define a JORC Mineral Resource and it is uncertain if further interpretation will result in the determination of a JORC mineral Resource

# Scandinavian Project Locations

- Established mining jurisdiction
- Close to Kiruna and existing infrastructure
- Next to Europe's largest iron mine (Kirunavaara owned by LKAB) and near Europe's largest open pit (Aitik owned by Boliden)
- Kiruna is an established population centre with more than 100 years of mining production



# Scandinavian Management Team

## **Christina Lundmark (62)**

*General Manager, Scandinavian Resources AB*

- Geologist with more than 15 years experience in the Swedish mineral exploration industry
- Previously Head of Division Mineral Information for the Geological Survey of Sweden (SGU)
- Responsible for SGU participation at PDAC, FEM and other international symposiums
- Nationality: Swedish

## **Magnus Arnqvist (45)**

*Managing Director, Kiruna Iron AB*

- Starting with Kiruna Iron May 2012
- Ex-MD of Europe's largest zinc mine
- Mining engineer with Rapallo (Australia) and Mine Manager of the Kristineberg, Storliden and Maurliden Mines (owned by Boliden)
- Bachelor of Mining from Bergsskolan Filipstad and Luleå University of Technology
- Nationality: Swedish

## **Olof Forslund (68)**

*Director, Scandinavian Resources Ltd*

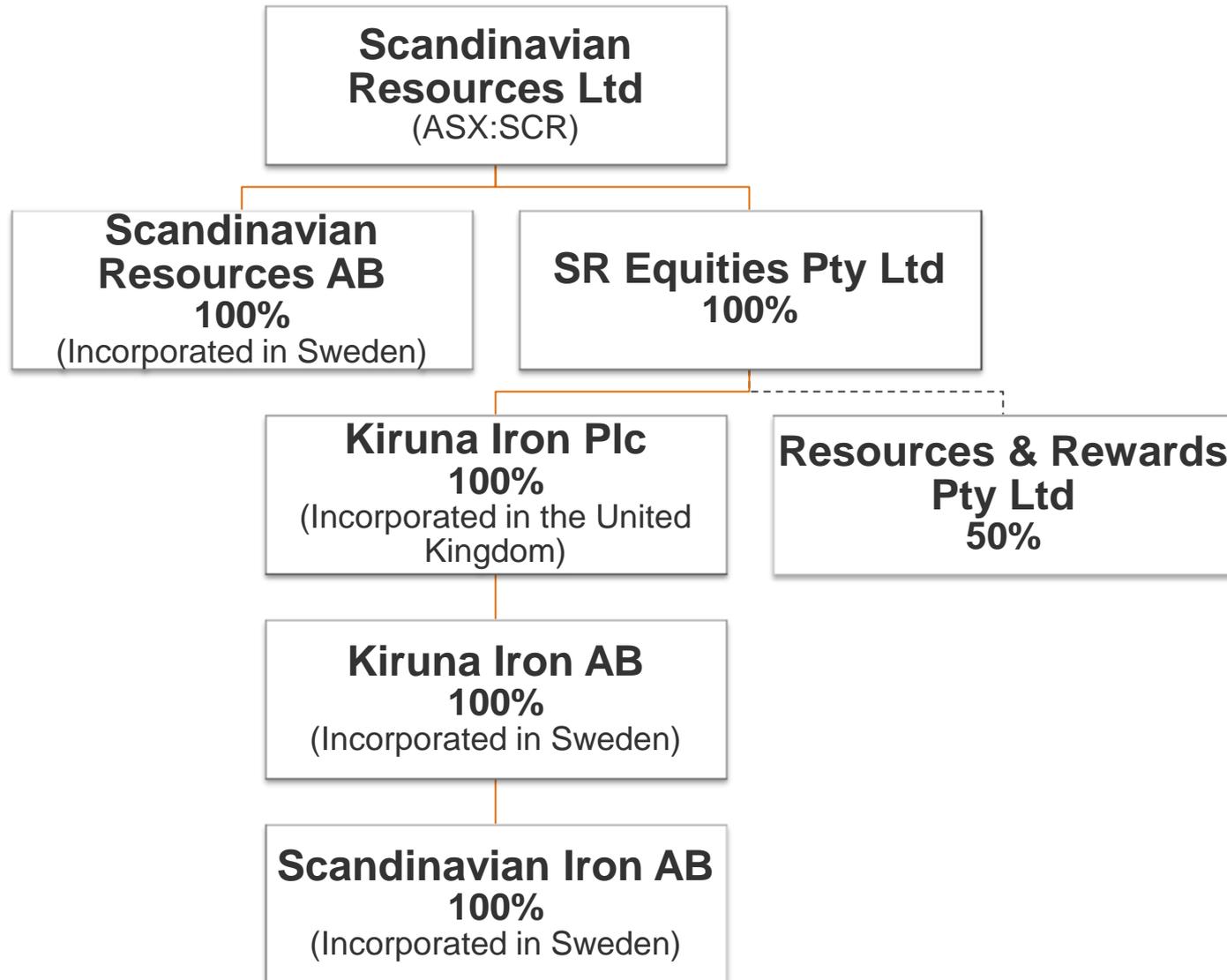
- Founding director
- Geophysicist with extensive international experience in the mineral exploration industry
- Majority of career with Geological Survey of Sweden (SGU); commenced in 1966
- Previously Regional Manager of SGU Mineral Resources Information Office
- Nationality: Swedish

## **Amanda Scott (29)**

*Exploration Manager, Scandinavian Resources*

- Geologist and Exploration Manager for Scandinavian Resources Ltd since July 2010
- Responsible for developing the Kiruna Iron Project portfolio and the SCR gold and base metals portfolio since inception
- Previously Exploration Manager of Hannans Reward
- Nationality: New Zealand

# Scandinavian Corporate Structure



# What's Happening?

- In January 2012 Scandinavian announced plans to raise USD12.5 Million in pre-IPO capital for the Kiruna Iron Project prior to completing a spin out and IPO later in 2012
- In March 2012 Hannans announced an off-market takeover offer to acquire all the shares in Scandinavian that it did not already own (Hannans owns 17.11% of Scandinavian)
- Hannans is seeking access to a quality advanced stage minerals project and therefore its offer is conditional on, amongst other matters, there being no 'spin out' of the Kiruna Iron Project
- Hannans considers its offer to be more attractive to Scandinavian shareholders than the pre-IPO and planned IPO of the Kiruna Iron Project
- Hannans has also loaned Scandinavian circa \$4.4 Million

# What Has Scandinavian Achieved?

- Scandinavian listed on ASX on 21 April 2010 with a market capitalisation of circa \$12.5 Million (undiluted)
- At the time of listing on ASX in 2010 the Kiruna Iron Project comprised zero tonnes, however after implementation of an aggregation, acquisition and exploration strategy it now comprises a global JORC resource of 473Mt @ 40% Fe plus a JORC Exploration Target of 203-273Mt @ 32-40% Fe.
- The Scandinavian market capitalisation is now \$25.2 Million (undiluted) and its Enterprise Value is \$31.4 Million.
- In August 2011 SRK Consulting AB (“**SRK**”) independently valued the Company’s mineral projects at USD125 Million\*.
- Subsequent to that report Scandinavian has increased the size of the JORC resource at the Kiruna Iron Project and completed a strategic joint venture agreement with Boliden (TSX:BOL).
- The Company has appointed BDO to prepare an Independent Expert’s report (“**IER**”) in relation to the Hannans Offer. BDO has engaged SRK to provide an opinion on the technical valuation of the Company’s assets. A copy of SRK’s report and the IER will be included in the Scandinavian Target Statement expected to be lodged on or before 18 April 2012.

\* A full copy of the report prepared by SRK can be found at the Company’s website at [www.scandinavianresources.com](http://www.scandinavianresources.com)

# Why the Valuation Gap?

- The private equity model (using equity and debt) employed to build the business has resulted in the market attributing a 'pre-raise' valuation to the Company (i.e. until such time as the debt is repaid)
- The lack of liquidity in the Scandinavian capital structure (circa Top 30 own 90%, Top 20 own 80% and Top 10 own 70%) has also meant it is difficult to both buy and sell Scandinavian on ASX without altering the share price significantly
- Australian investors are generally unfamiliar with investing into the Nordic region and therefore the 'base' level of knowledge for the region is quite low
- Informed Nordic investors aren't familiar with investing into ASX listed companies and would prefer to invest into Swedish or Norwegian exchange listed companies
- Magnetite projects in Australia have generally been considered 'difficult' due to the large capital expenditure required to build processing, power, rail and port infrastructure

# Will the Hannans Offer Close the Gap?

- Hannans would bring additional funding into the merged group and potentially consolidate the debt thereby removing the 'pre-raise' perception associated with Scandinavian
- The merged group would have >2,300 shareholders, circa 500 Million shares on issue, circa \$10 Million (no debt)\* and a combined market capitalisation of circa \$40 Million and therefore greater liquidity
- Marketing the expanded group to deep overseas capital markets, including Canada, on the basis of rapidly advancing the Kiruna Iron Project (located in a low sovereign risk jurisdiction close to modern, open access rail, power, port and services) may effectively reduce the valuation gap between the market capitalisation and the August 2011 SRK valuation

\* Assuming the sale of Hannans investments in listed equities. Please refer to section 3.6 of the Bidder's Statement for further details

# How Should Shareholders View the Hannans Offer?

- As an opportunity to ‘unlock’ the value of Scandinavian’s minerals portfolio
- As access to additional funding\* at a price close to the current market price for Scandinavian whilst also providing Scandinavian shareholders with a 68% ownership interest in the Hannans greenfields exploration portfolio
- Note that if Scandinavian becomes a wholly owned subsidiary of Hannans, the existing circa \$4.4 Million loan facility owed by Scandinavian to Hannans will be consolidated within the merged group (thereby replacing the need to raise funds to repay these loans due to be repaid in September 2012)

\* The amount of additional funding available to the merged entity will depend on the price of the listed equities owned by Hannans at the time of the Hannans Offer closing. Please refer to section 3.6 of the Bidder’s Statement for further details.

# Hannans Offer

- Hannans Reward Ltd (ASX:HNR) is offering three (3) Hannans shares for each one (1) of your Scandinavian Resources Shares
- Offer expected to open on or about 3 April 2012 and close on or about 4 May 2012 (unless extended or withdrawn)
- For information on Hannans refer to the Bidder's Statement dated 20 March 2012 and released to ASX on the same date.
- Damian Hicks is the Managing Director of Hannans Reward Ltd and is Chairman of Scandinavian Resources Ltd
- Founded in 2002 Hannans portfolio comprises Greenfields exploration projects prospective for nickel, gold and iron in WA located at Forrestania, Lake Johnston, Queen Victoria Rocks and the East Pilbara

# Scandinavian's Response

- An independent expert (BDO) has been commissioned to assess whether the Hannans Offer is 'fair and reasonable'
- BDO have commissioned SRK to prepare an independent technical valuation of the Scandinavian minerals properties
- The BDO and SRK reports will be contained in the Target's Statement
- The Independent Director's of Scandinavian are Olof Forslund and Ian Gregory and they will give their recommendation in relation to the Hannans offer in the Target's Statement
- Shareholders should Take No Action in relation to the Hannans offer and wait until receipt of the Target's Statement

# Superior Offer

- A Superior Offer is one that may contain the following:
  - a higher premium to the Scandinavian share price;
  - synergies at the country, project, commodity and / or management levels in the Nordic region;
  - More capacity to fund the expenditure require to grow the portfolio and more specifically the Kiruna Iron Project; and / or
  - Other considerations such as greater certainty, cash consideration etc
- In the absence of a Superior Offer two major shareholders Equity & Royalty Investments Ltd (ERI) and Craton Capital Funds (CCF) have indicated to Hannans their present intention to accept the Hannans Offer in respect of the Scandinavian shares they hold.\*
- The directors of ERI are Damian Hicks, Olof Forslund and Ian Gregory.
- One of the directors of CCF is Markus Bachmann; CCF is also a major shareholder of Hannans.

\* Refer to ASX announcement released by Hannans dated 20 March 2012

# Hannans Offer Timetable

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Announcement of the Hannans Offer	29 February 2012
Date of the Bidder's Statement	20 March 2012
Date of the Hannans Offer	3 April 2012
Date of Target's Statement	On or before 18 April 2012
Scheduled close of Hannans Offer (unless extended or withdrawn)*	5.00pm (WST) on 4 May 2012

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\* Assumes Hannans distributes its Bidder's Statement on 3 April 2012 and the offer period remains open for a period of one month

# Expected News Flow (Short Term)

People	Projects	Capital	Corporate
Appointment of Additional Non-Executive Technical Director to Scandinavian Resources Ltd (April)	Recommencement of drilling at Kiruna Iron Project (April)	Anticipated exercise of unlisted options to raise \$4M (April)	Hannans Bidder's Statement mailed to Scandinavian shareholders (April)
Commencement of Managing Director, Kiruna Iron AB (May)	Commencement of Kiruna Iron Project feasibility studies (May/June)		Scandinavian Target Statement mailed to shareholders (April)
	Drilling testing of copper-gold targets (July)		Outcome of Hannans Takeover Offer (May) (if not extended)
	Kiruna Iron Project resource upgrade (July)		Presentation to Euro Mine Expo, Skellefteå, Sweden (June)



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THE NEW KIRUNA IRON COMPANY

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## **Competent Persons Statement - Mineral Resources**

The mineral resource estimate for Rakkurijärvi, Rakkurijoki, Discovery and Tributary Zone is effective from 27 July 2011 and has been prepared by Mr Thomas Lindholm, MSc of GeoVista AB, Luleå, Sweden acting as an independent “Competent Person”. Mr Lindholm is a fellow of the Australasian Institute of Mining and Metallurgy (Member 230476). Mineral resources of the Rakkuri iron deposits have been prepared and categorised for reporting purposes by Mr Lindholm, following the guidelines of the JORC Code. Mr Lindholm is qualified to be a Competent Person as defined by the JORC Code on the basis of training and experience in the exploration, mining and estimation of mineral resources of gold, base metal and iron deposits. The mineral resource estimate for Puoltsa is effective from 13 January 2012 and has been prepared by Mr Thomas Lindholm, MSc of GeoVista AB, Luleå, Sweden acting as an independent “Competent Person”. Mr Lindholm is a fellow of the Australasian Institute of Mining and Metallurgy (Member 230476). Mineral resources of the Rakkuri iron deposits have been prepared and categorised for reporting purposes by Mr Lindholm, following the guidelines of the JORC Code. Mr Lindholm is qualified to be a Competent Person as defined by the JORC Code on the basis of training and experience in the exploration, mining and estimation of mineral resources of gold, base metal and iron deposits.

The mineral resource estimate for Ekströmsberg, Tjärrojåkka, and Pattok is effective from 22 July 2011 and has been prepared by Dr Christopher Wheatley of Behre Dolbear International Ltd, UK, acting as an independent “Competent Person”. Dr Wheatley is a member of the Institute of Materials Minerals and Mining (Member 450553). Mineral resources of the Ekströmsberg, Tjärrojåkka, and Pattok have been prepared and categorised for reporting purposes by Dr Wheatley, following the guidelines of the JORC Code. Dr Wheatley is qualified to be a Competent Person as defined by the JORC Code on the basis of training and experience in the exploration, mining and estimation of mineral resources of gold, base metal and iron deposits. Dr Wheatley consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The mineral resource estimate for Vieto and Sautusvaara is effective from 26 July 2011 and has been prepared by Mr Geoffrey Reed of Minarco-MineConsult acting as an independent “Competent Person”. Mr Geoffrey Reed is a Member of the Australasian Institute of Mining and Metallurgy (CP)(Member 205422). Mineral resources of the Vieto, Sautusvaara have been prepared and categorised for reporting purposes by Mr Reed, following the guidelines of the JORC Code. Mr Reed is qualified to be a Competent Person as defined by the JORC Code on the basis of training and experience in the exploration, mining and estimation of mineral resources of gold, base metal and iron deposits. Mr Reed consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. The mineral resource estimate for Renhagen and Harrejaure is effective from 13 January 2012 and has been prepared by Mr Geoffrey Reed of Minarco-MineConsult acting as an independent “Competent Person”. Mr Geoffrey Reed is a Member of the Australasian Institute of Mining and Metallurgy (CP)(Member 205422). Mineral resources of Renhagen and Harrejaure have been prepared and categorised for reporting purposes by Mr Reed, following the guidelines of the JORC Code. Mr Reed is qualified to be a Competent Person as defined by the JORC Code on the basis of training and experience in the exploration, mining and estimation of mineral resources of gold, base metal and iron deposits. Mr Reed consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

## **Competent Persons Statement - Exploration Results**

The information in this document that relates to exploration results is based on information compiled by Amanda Arrowsmith, Exploration Manager, Scandinavian Resources Ltd, who is a Member of the Australian Institute of Mining and Metallurgy. Ms. Arrowsmith is a full-time employee of Scandinavian Resources Ltd. Ms. Arrowsmith has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined by the 2004 edition of the “Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Ms. Arrowsmith consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

## **Competent Persons Statement - Exploration Targets**

The information in this document that relates to JORC Exploration Targets is based on information reviewed by Mr Thomas Lindholm of GeoVista AB, Luleå, Sweden acting as an independent “Competent Person”. Mr Lindholm is a member of the Australasian Institute of Mining and Metallurgy (Member 230476). Mr Lindholm is qualified to be a Competent Person as defined by the JORC Code on the basis of training and experience in the exploration, mining and estimation of mineral resources of gold, base metal and iron deposits. Mr Lindholm consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. The JORC Exploration Targets have been subjected to diamond drill testing, ground geophysics and interpretation by the Geological Survey of Sweden reviewed by Mr Thomas Lindholm, of GeoVista AB. The potential quantity and grade of the exploration targets is conceptual in nature, there has been insufficient interpretation to define a JORC Mineral Resource and it is uncertain if further interpretation will result in the determination of a JORC Mineral Resource.

- Experienced management team with local knowledge
- Emerging iron ore explorer in the Kiruna District of Northern Sweden
  - to be spun out of Scandinavian Resources (ASX:SCR)
- Existing JORC resources<sup>1</sup> of 473mt iron @ 40% Fe
  - plus JORC exploration target of 203-273mt @ 32-40% Fe
- Favourable mining jurisdiction
- Targeting production of premium quality (68%+) concentrate
- Excellent existing infrastructure

**Pre IPO (Jan 2012) to raise up to US\$15m and proposed AIM IPO (Q2 2012) to raise up to US\$40m**

<sup>1</sup>JORC resources are in the indicated and inferred category. See slide 8 for further detail

The JORC Exploration Targets have been subjected to diamond drill testing, ground geophysics and interpretation by the Geological Survey of Sweden, reviewed by Mr Thomas Lindholm, of GeoVista AB. The potential quantity and grade of the exploration targets is conceptual in nature, there has been insufficient interpretation to define a JORC Mineral Resource and it is uncertain if further interpretation will result in the determination of a JORC Mineral Resource

## **Damian Hicks (39)**

*Chairman*

- Founding director
- Founding director Scandinavian Resources Ltd (2008)
- Founding director of Hannans Reward Ltd (2002)
- Admitted Barrister & Solicitor in Western Australia; Bachelor of Commerce (Accounting & Finance)
- Nationality: Australian

## **Olof Forslund (68)**

*Non-Executive Director*

- Founding director
- Geophysicist with extensive international experience in the mineral exploration industry
- Majority of career with Geological Survey of Sweden (SGU); commenced in 1966
- Previously Regional Manager of SGU Mineral Resources Information Office
- Nationality: Swedish

## **Magnus Arnqvist (45)**

*Managing Director*

- Starting with Kiruna Iron mid 2012
- Ex-MD of Europe's largest zinc mine
- Mining engineer with Rapallo (Australia) and Mine Manager of the Kristineberg, Storliden and Maurliden Mines (owned by Boliden)
- Bachelor of Mining from Bergsskolan Filipstad and Luleå University of Technology
- Nationality: Swedish

## **Markus Bachmann (45)**

*Non-Executive Director*

- Founding director
- Corporate finance professional and founding partner of Craton Capital
- Craton Capital awarded Fund Manager of the Year at the Mining Journal's "Outstanding Achievement Awards" during December 2010
- Nationality: Swiss

## Exploration Management by Scandinavian Resources Ltd

## **Christina Lundmark (62)**

*General Manager*

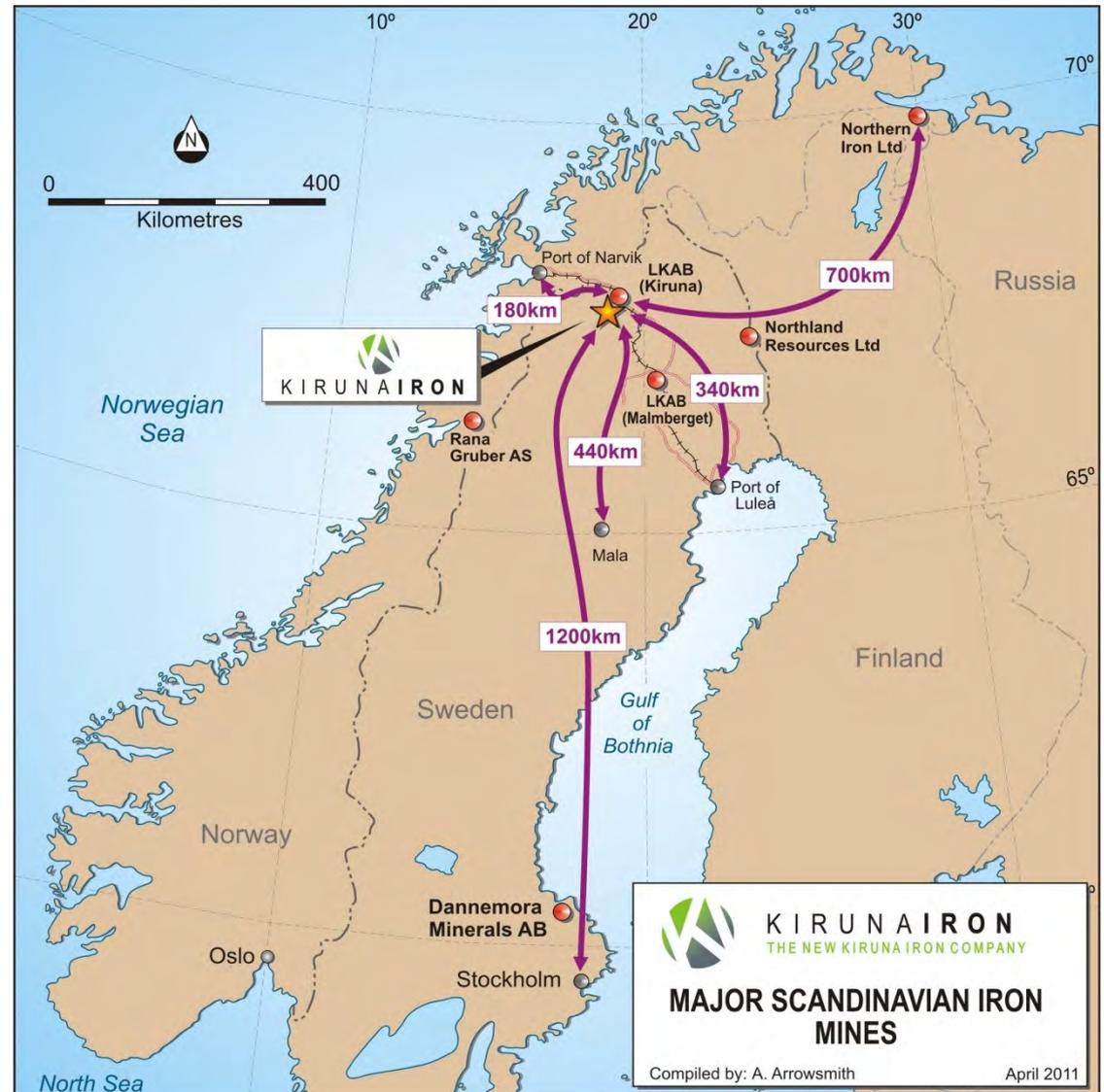
- Geologist with more than 15 years experience in the Swedish mineral exploration industry
- Previously Head of Division Mineral Information for the Geological Survey of Sweden (SGU)
- Responsible for SGU participation at PDAC, FEM and other international symposiums
- Nationality: Swedish

## **Amanda Arrowsmith (29)**

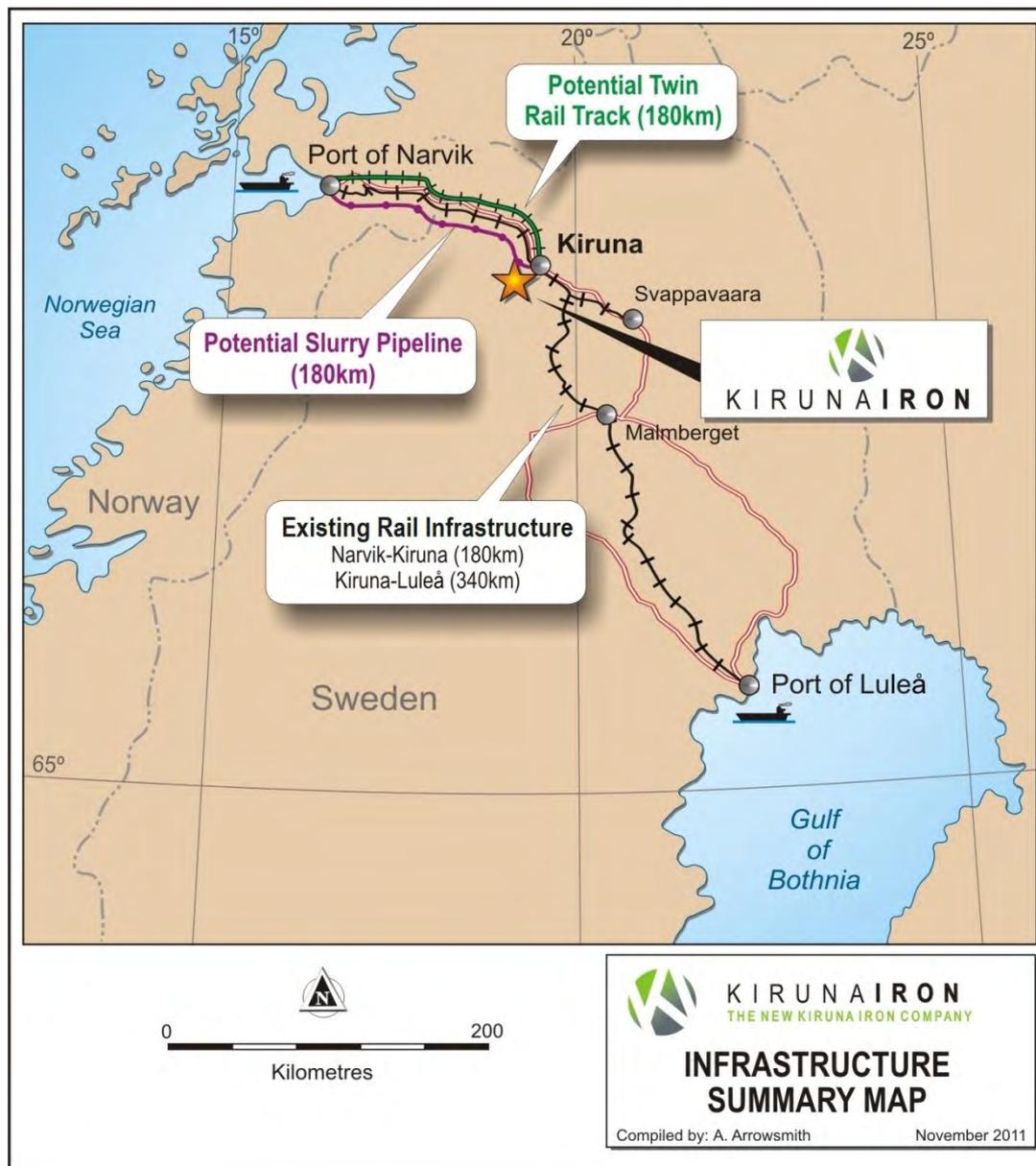
*Exploration Manager*

- Geologist and Exploration Manager for Scandinavian Resources Ltd since July 2010
- Responsible for developing the Kiruna Iron Project portfolio and the SCR gold and base metals portfolio
- Previously Exploration Manager of Hannans Reward
- Nationality: New Zealand

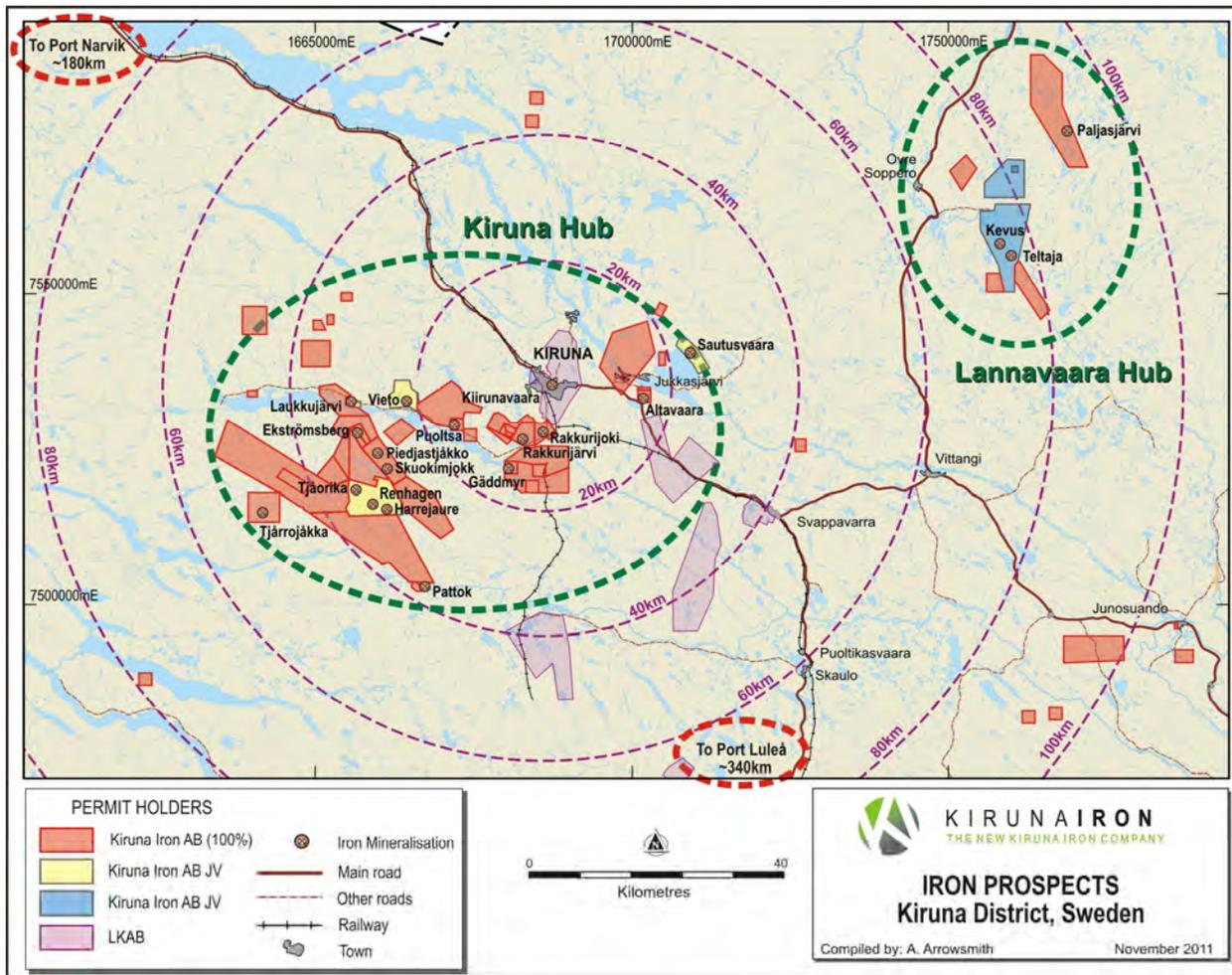
- Established mining jurisdiction
- Close to Kiruna and existing infrastructure
- Next to Europe's largest iron mine (Kirunavaara owned by LKAB) and near Europe's largest open pit (Aitik owned by Boliden)
- Kiruna is an established population centre with more than 100 years of mining production



- Multiple infrastructure options
- Existing open access government owned heavy gauge rail infrastructure
  - Capacity constrained but expanding
  - Increased flexibility and options on the Kiruna-Luleå rail
  - Northland Resources expect to gain access on Kiruna-Narvik rail
  - Annual allocation and access by social and economic assessment criteria
- Two existing port options
  - Luleå 'ready to go' offering 2mtpa capacity with room for expansion
  - Narvik a gateway to the USA, Middle & Far East
- Slurry pipeline (5 or 10mtpa) potentially provides independent wholly owned infrastructure option



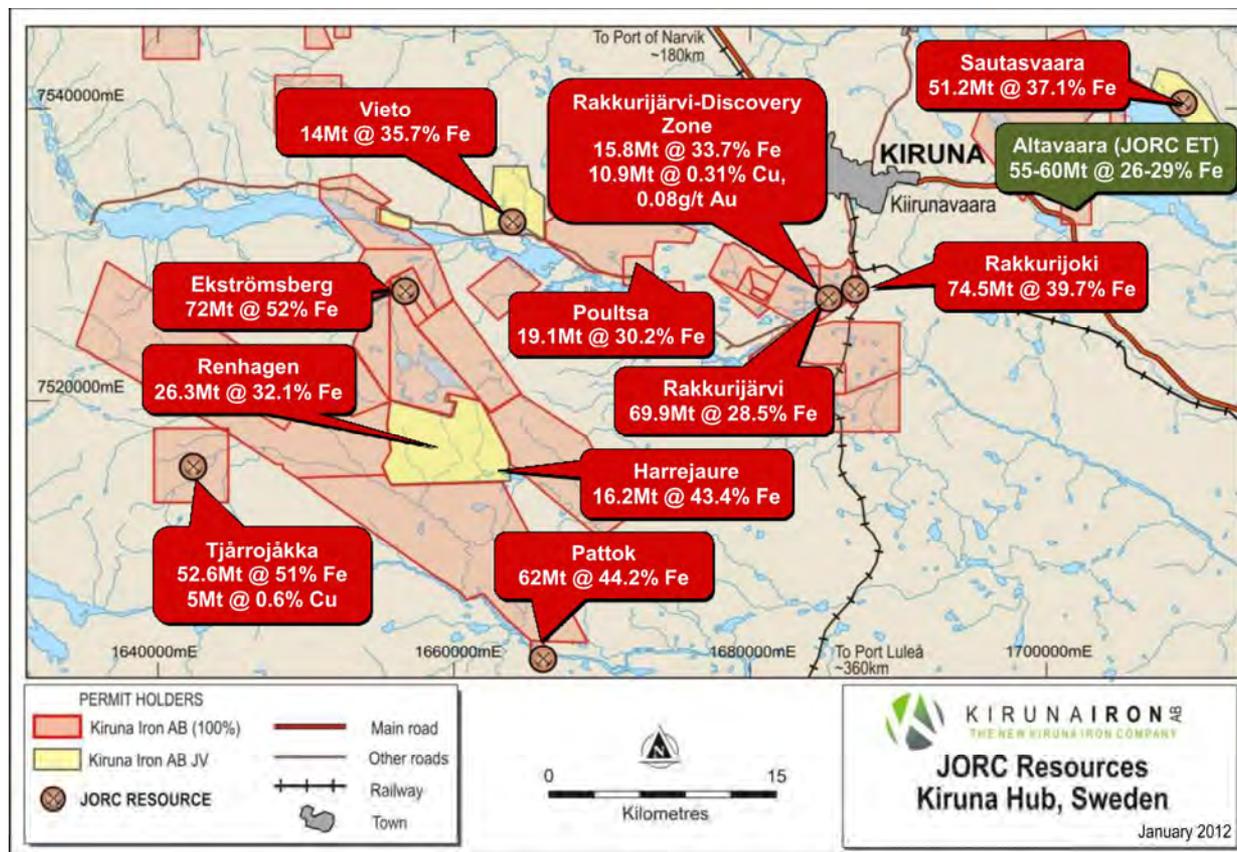
- Kiruna Hub & Lannavaara Hub
- Acquired projects from Anglo American, Rio Tinto and Grängesberg Iron AB
- Entered into Joint Venture agreements with Boliden<sup>1</sup> and Tasman Metals Ltd<sup>2</sup>
- Potential to compile 1Bt of iron resources
- Similar scenario to Pilbara region in Western Australia, that provided platform for growth of Fortescue Metals Group (ASX:FMG) and Atlas Iron Ltd (ASX:AGO)
- Kiruna Iron AB is the only significant focused iron company (ex-LKAB) within 100km of Kiruna



<sup>1</sup> Boliden JV enables KIAB to earn 100% of iron rights only by meeting minimum expenditures

<sup>2</sup> Tasman JV enables KIAB to earn 90% interest by delivery of BFS

- Most advanced deposits are Rakkurijoki and Ekströmsberg
- Environmental and social impact studies are being prepared for the Rakkuri Area
- Exploration drilling success may change ranking of projects significantly (e.g. Altavaara, Harrejaure)
- Open pit mining proposal
- A plant producing 2-5mtpa is estimated to cost around US\$439m



## Metallurgy<sup>1</sup>

- Est. 75 micron grind size
- Concentrate spec >60% Fe, <5% SiO<sub>2</sub>, <0.05% P and <0.05% S

<sup>1</sup>High level CAPEX estimates were provided by METS in July 2011 and November 2011

JORC Compliant Indicated Mineral Resource Table				
Prospect	Mt	Fe (%)	P (%)	S (%)
Sautusvaara South	32.0	37.4	0.06	1.63
Sautusvaara North	11.4	39.7	0.09	0.44
Ekströmsberg <sup>1</sup>	30.4	52.0	Unavailable	Unavailable
<b>TOTAL</b>	<b>73.8</b>	<b>43.0</b>	-	-

JORC Compliant Inferred Mineral Resource Table				
Prospect	Mt	Fe (%)	P (%)	S (%)
Rakkurijärvi <sup>2</sup>	69.6	28.5	0.07	0.93
Rakkurijoki	74.5	39.7	0.28	0.89
Discovery Zone	10.9	38.7	0.05	0.95
Tributary Zone	4.9	28.6	0.05	1.08
Sautusvaara South	6.8	26.6	0.09	1.82
Sautusvaara North	1.0	44.8	0.05	0.46
Vieto	14.0	35.7	0.14	1.46
Puoltsa	19.1	30.2	0.025	0.01
Renhagen	26.3	32.1	0.23	0.03
Harrejaure	16.2	43.4	0.04	0.01
Ekströmsberg <sup>1</sup>	41.6	52.0	Unavailable	Unavailable
Tjärrojåkka	52.6	51.0	Unavailable	Unavailable
Pattok	62.4	44.2	1.96	Unavailable
<b>TOTAL</b>	<b>399.9</b>	<b>38.1</b>	-	-

<b>TOTAL</b>	<b>Mt</b>	<b>Fe (%)</b>
<b>Indicated &amp; Inferred</b>	<b>473.7</b>	<b>40.5</b>

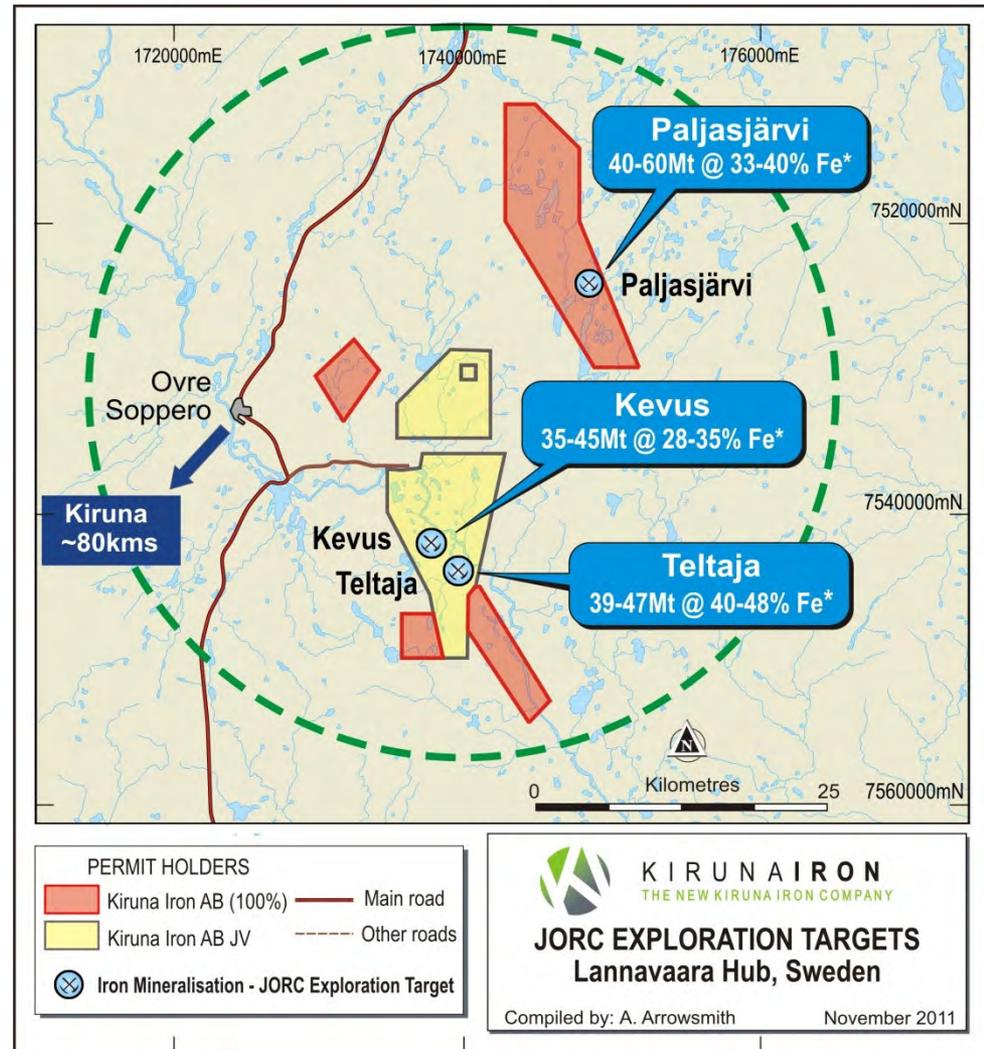
Please see slide 26 for further information on the preparation of these JORC resource estimates

All non-iron mineral rights will remain with Scandinavian Resources

<sup>1</sup> 1.0% Net smelter return royalty payable to Grängesberg Iron AB

<sup>2</sup> 1.5% Net smelter return royalty rate payable to Rio Tinto Mining & Exploration Limited and Anglo American Exploration B.V.

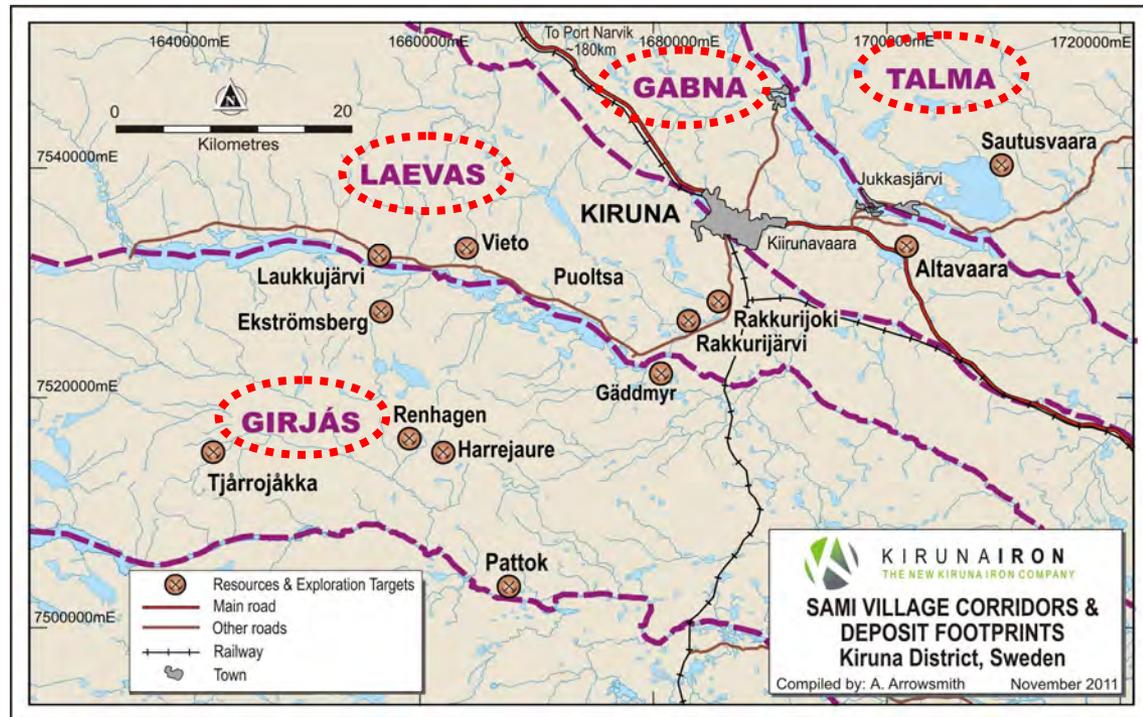
- Potentially more significant than Kiruna Hub
- Drilling being planned for mid - 2012
- Paljasjärvi is a 3km long magnetic anomaly
  - it has the one of the most prominent magnetic anomalies in the Kiruna District behind LKAB's Kiirunavaara mine
- Historic drilling at Paljasjärvi intersected iron
- Approximately 80km from Kiruna and close to Lannavaara
- Joint venture agreement with Boliden at Lannavaara provides for Kiruna Iron AB to own 100% of the iron rights only



The JORC Exploration Targets have been subjected to diamond drill testing, ground geophysics and interpretation by the Geological Survey of Sweden reviewed by Mr Thomas Lindholm, of GeoVista AB. Mr Lindholm is a fellow of the Australasian Institute of Mining and Metallurgy (Member 230476). The potential quantity and grade of the exploration targets is conceptual in nature, there has been insufficient interpretation to define a JORC Mineral Resource and it is uncertain if further interpretation will result in the determination of a JORC Mineral Resource.



- Kiruna Kommun
- Sami Villages
  - Laevas
  - Girjas
  - Gabna
  - Talma
- Land & Home Owners
- Kiruna Residents
- Government
- Narvik Municipality
- Lulea Kommun
- Shareholders
- Regulators



## 2012

### Q1 / Q2

- Pre-IPO
- Recommence drilling at Rakkurijoki to convert resource from inferred to indicated
- AIM IPO
- Begin drilling at Palisjarvi to test exploration target
- Commence logistics studies
- Recommence drilling at Altavaara

### Q3 / Q4

- JORC resource update for Rakkurijoki and Altavaara
- Complete social impact and environmental studies for Rakkuri
- Begin drilling at Ekströmsberg to convert resource from inferred to indicated
- Commence scoping studies
- Begin drilling at Palisjarvi to convert target to JORC resources
- Complete scoping studies for Rakkurijoki

## 2013

### Q1 / Q2

- JORC resource update for Rakkurijoki, Paljasjärvi, Altavaara
- Feasibility studies for processing and logistics options



## Pre-IPO

US\$m

### Fundraise

Canaccord / Pareto placement		\$12.5m
ASX Shareholder offer	1	\$2.5 m
<b>Total</b>		<b>\$15.0m</b>

### Use of proceeds

Exploration activities, environmental studies and social studies		\$2.4m
Repayment of third party loans	2	\$5.1m
Acquisition	3	\$1.5m
Working capital and fees		\$1.5m

### Cash Balance

**\$2.0m**

### Proposed AIM IPO in Q2 2012 in conjunction with fundraising of c. US\$40m to fund:

- Exploration
- Working capital
- Pre-feasibility study
- Environmental and social studies
- Acquisition<sup>4</sup>

#### Notes

PRE IPO funds using current payment timings is expected to cover 3 months activities. The Company's CAPEX is predicated on the institutional fundraise and not the ASX offer

1. Subject to ASX approving offer as fair to existing ASX:SCR shareholders. ASX approvals may enable the amount offered under the Canaccord/Pareto placement to increase to up to \$15m, by way of a corresponding decrease in the amount offered under the ASX Shareholder offer to nil

2. Repayment of Third Party Loans due March 2012 to HR Equities Pty Ltd, OM Holdings Ltd and High Net Worths

3. Anglo Rio (\$1.5m) final payment reimbursement

#### Notes

4. Reimbursement of Acquisition cost over 5 Years inclusive of final Grängesberg payment US\$750,000  
Total acquisition costs to be repaid, AUD13.19m; balance owing at end of month 15, AUD8.93m to be repaid quarterly over 5 years (indexed to CPI). After acquisition costs repaid in full, sunk exploration costs to be repaid quarterly over further five years, AUD3.10m (indexed to CPI but interest free)



- Experienced management team with local knowledge
- An emerging iron ore explorer in Northern Sweden
- Favourable mining jurisdiction
- Excellent existing infrastructure
- Existing JORC resources<sup>1</sup> of 473mt iron @ 40% Fe with expansion potential
  - Targeting production of premium quality (68%+) concentrate

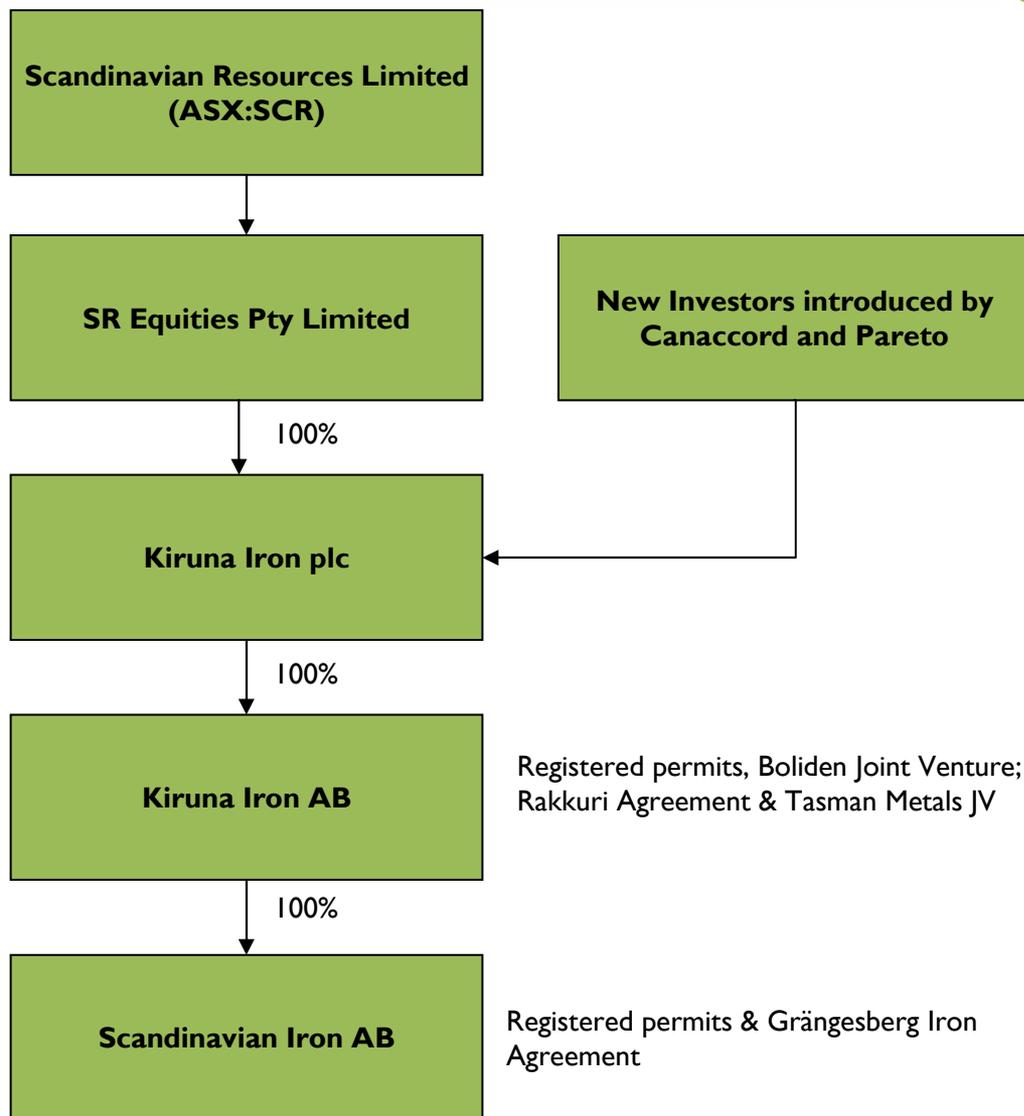


**K I R U N A I R O N**

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THE NEW KIRUNA IRON COMPANY

Additional Information





## Since April 2010

- Kiruna Iron AB established with initial assets
- Completed Tasman Metals Ltd JV
- Acquires 100% of the Rakkuri Project from Anglo American
- Acquires portfolio of iron permits from Grängesberg Iron AB
- Environmental and social impact studies commenced
- Maiden JORC resource of 412mt @39% Fe published
- SRK Consulting independently values Kiruna Iron Project at US\$125M in accordance with 2005 Valmin code<sup>1</sup>
- Signs co-operation agreement with Boliden to earn 100% interest in Lannavaara
- Conceptual study into iron slurry pipeline completed
- Appointed Managing Director
- Updated JORC resource to 473Mt @ 40% Fe
- Completed 18,000m of drilling at Kiruna Iron project

## 2012 and beyond

- IPO on AIM
- Drill
  - Rakkurijoki – inferred to measured
  - Ekströmsberg – inferred to measured
  - Paljasjärvi – convert target to JORC resources
  - Greenfields targets to Exploration Targets
- Studies
  - Social impact
  - Environmental
  - Metallurgical
  - Logistics
- Exploitation licence application/s
- Engage with
  - Sami Villages
  - Government Agencies
  - Kiruna Residents
- Produce high grade concentrate

<sup>1</sup>Code for the technical assessment and valuation of mineral and petroleum assets and securities for independent expert reports

Kiruna Hub		
Prospect	Tonnage Range (Mt)	Grade Range (Fe%)
Åkosjegge	10-15	23-30
Altavaara	55-60	26-29
Laukkujärvi	4-8	30-35
Leppäjoki	5-8	35-45
Tjåorika	15-30	45-55
Total Hub 1	89-121	31.8-38.8

Lannavaara Hub		
Prospect	Tonnage Range (Mt)	Grade Range (Fe%)
Kevus	35-45	28-35
Paljasjärvi	40-60	30-40
Teltaja	39-47	40-48
Total Hub 2	114-152	32-41

TOTAL	Mt	Fe (%)
Hub 1 & 2	203-273	32.1- 39.6

The JORC Exploration Targets have been subjected to diamond drill testing, ground geophysics and interpretation by the Geological Survey of Sweden reviewed by Mr Thomas Lindholm, of GeoVista AB. The potential quantity and grade of the exploration targets is conceptual in nature, there has been insufficient interpretation to define a JORC Mineral Resource and it is uncertain if further interpretation will result in the determination of a JORC Mineral Resource.

	Puoltsa	Gaddmyr	Vieto	Laukkujärvi	Ekstromsberg	Sautasvaara	Rakkurijoki	Rakkurijärvi	Rakkurijärvi Discovery Zone
Head Fe grade	49.3	64.6	32.8	10.3	52.6	47.7	35.9	22.3	46.9
% Magnetite	62.4	No data	47.9	69.9	28.2	No data	27.7	Insufficient data	No data
Mass Recovery, %	67.9	17.9	42.2	65.7	25.9	54.5	45.2	25.5	60.0
DTR Fe recovery	96.2	20.4	82.8	98.4	44.6	88.5	83.8	76.1	89.6
DTR conc Fe grade	70.3	71.9	70.0	71.0	70.8	71.1	69.2	68.9	70.8
DTR conc SiO <sub>2</sub> grade	0.58	0.01	1.2	0.6	0.7	0.5	1.0	2.2	1.0
DTR conc Al <sub>2</sub> O <sub>3</sub> grade	0.16	0.07	0.2	0.02	0.1	0.2	0.3	0.4	0.2
DTR conc P grade	0.0017	0.02	0.01	0.002	0.04	0.05	0.009	0.005	0.003
DTR conc S grade	0.005	0.005	0.06	0.001	0.003	0.3	0.365	0.022	0.035

Note:

1. Where the iron is predominantly present as magnetite, then the mass recovery will follow the % magnetite in the ore
2. The mass recovery and iron recovery are related by the iron feed grade. i.e. If the iron grade is 10% Fe and this is present as only magnetite (equivalent to 14% magnetite in the feed) then a mass recovery of 14%, in a perfect separation, would achieve 100% iron recovery
3. If the iron grade is made up of 50:50 magnetite : hematite then a mass recovery of 7% would achieve 50% iron recovery. If the mass recovery was 14%, as a result of gangue included with the magnetic concentrate, the iron recovery would still be ~50%, if the gangue material did not contain iron

## Increased capacity according to national plan 2015

- Estimated increase in iron ore shipments Luleå – Riksgränsen by 80% from 2010 to 2020, most before 2015
- Current capacity on Kiruna to Narvik line is fully utilised
- Capacity is slightly better from Kiruna to Luleå, where short trains are easier to adapt to the infrastructure

## “New Money”

- Will allow Trafikverket to extend passing stations earlier than planned so that the capacity better meets the demand
- Capacity study, Governmental Commission
  - Time frame, 2012 – 2021
  - In the longer perspective, 2050

## Getting on the Track

- Permits required from Swedish Transport Agency
- Application for capacity to Swedish Transport Administration (STA)
- Capacity allocated on an annual basis on same terms as others users
- Where there are conflicts due to congestion, the STA must consider the socioeconomic benefits of allocating the capacity among different users



Capacity on malmbanan 2015  
(source: Governmental commission)

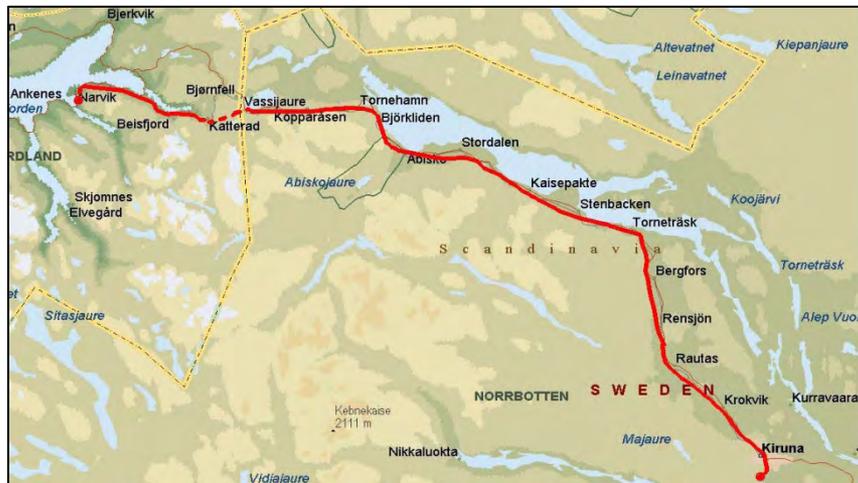
- 50-60% use of capacity/day, time for maintenance
- 60-80% use of capacity/day track is sensitive to disturbances
- 80%- use of capacity/day no time for maintenance

## Rail to Luleå and Port of Luleå Option

- Utilise existing open access gauge rail from Kiruna to Luleå (340km)
- Port of Luleå
  - Currently 2mtpa capacity with expansion potential
  - Sweden’s largest port for dry bulk handling
  - Top 5 amongst Swedish ports for tonnage handled
  - DWT 55,000 tonnes (11,8m)
  - Annual goods turnover c. 9mt
  - Called by c. 700 vessels/ yr
  - Secured all-year access
  - Regular destinations mainly within Baltic region
- LKAB export c. 6mtpa ex Luleå



## Transport by pipeline



- Preliminary study completed by Raw Materials Group in October 2011
- 5mtpa and 10mtpa options
- CAPEX est. for 5mt is US\$185m and 10mt is US\$231m (ISEK=0.154 US\$)
- OPEX est. for 5mt is US\$0.69/tonne and 10mt is US\$0.62/tonne

## Port of Narvik



Company	Today	2015	2020
LKAB	18mt	28mt	34mt
Northland	0mt	5mt	7mt
KIAB	0mt	0mt	5mt
Other	0mt	0mt	4mt
<b>Total</b>	<b>18mt</b>	<b>33mt</b>	<b>50mt</b>

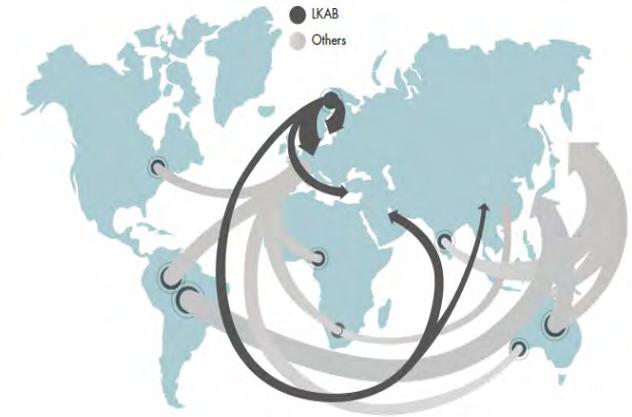
Source: Port of Narvik Presentation. Date: 15 September 2011

- Utilise existing open access heavy gauge rail from Kiruna to Narvik (180km)
- Narvik Port handles shipping for LKAB, and a 10mtpa terminal for Northland Resources is being built
- Can handle Capesize vessels
- Ice-free
- Expansion planned on rail and port

- Sami organisations consider that the Swedish Mining Law contravenes the EU Directive on Human Rights and therefore all exploration and mining activity is a breach of these rights and have therefore recently targeted a number of exploration and mining companies in Sweden and Norway including Kiruna Iron AB
- Kiruna Iron AB is a member of SveMin, an employers and industry association for mines and mineral and metal producers in Sweden. The Ethical Rules of SveMin states that the task of the mining industry is to supply society with minerals and ore in a responsible manner and with long-term profitability. Minerals and metals are essential to a well-functioning and modern society. Metals are produced from ore and may be continuously recycled. SveMin members will promote sustainable development and efficient, balanced, long-term management of energy and natural resources while showing due consideration for people, the economy, the environment and the society in general
- SveMin has recently started a sub-committee for the relations between the reindeer husbandry and the mining industry. The chairman of the sub-committee is Christina Lundmark, General Manager of Scandinavian Resources AB/Kiruna Iron AB
- Kiruna Iron AB has carried out its activities at all times in an open and transparent manner with regard to the Sami interests through many face-to-face meetings, the provision of detailed written information and the carrying out of exploration activities at times where the interests of the reindeer herders are not impacted. Kiruna Iron's legal team have confirmed that the Company has exceeded the requirements of the mining legislation with regard to communications with affected persons and the Company will continue to do so



*Kiruna, LKAB's Kiruna orebody overlaid on image*



- LKAB 2010 key statistics:

- Operating profit SEK12,281M
- 26Mt of iron products (21Mt pellets)
- 4,100 employees

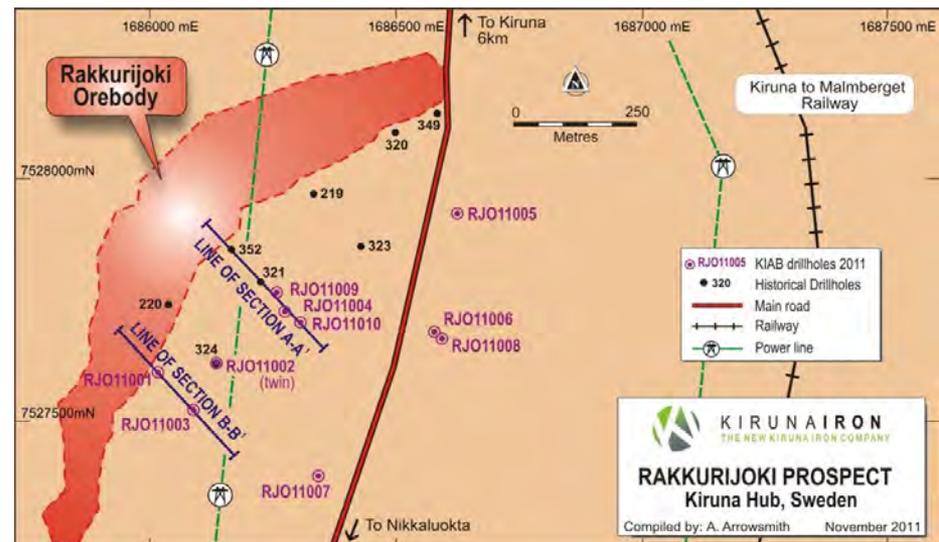
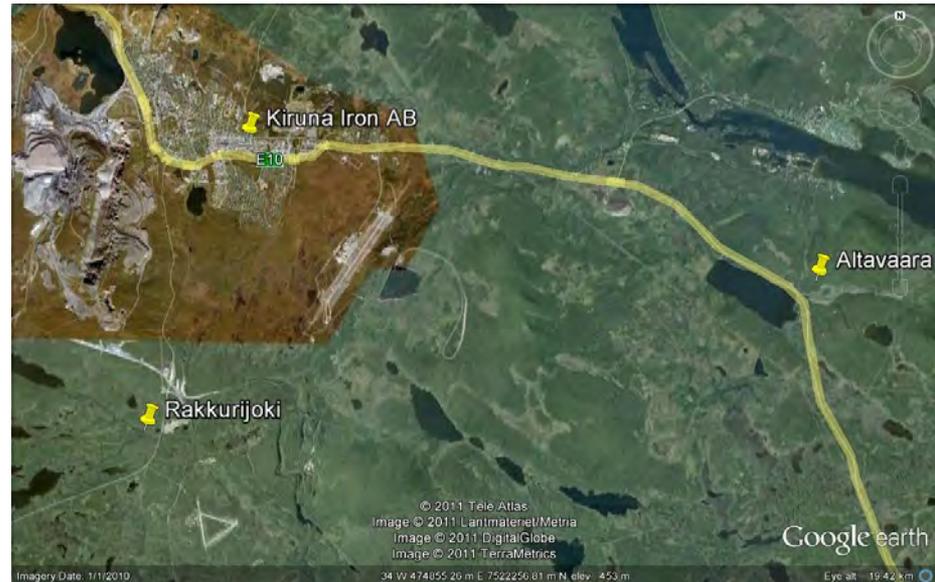
- The ore deposit mined by LKAB in Kiruna is the world's largest known continuous body of iron ore. About 26Mt of crude ore is mined each year. It is a single, continuous, rich magnetite orebody that is more than 4km long and has an average width of about 80m. LKAB knows that it extends to a depth of at least 1,500m, and there are indications that it continues to a depth of up to 2km. The present main level, from which the ore is gathered, is at a depth of 1,045m (measured from the zero point at the original peak of Mt. Kiiirunavaara). LKAB is now building a new main level at 1,365m
- The Malmberget mine consists of about 20 orebodies, of which ten are currently mined. Most of the deposit consists of magnetite ore, but non-magnetic hematite also occurs. The present main level of the Malmberget mine is at a depth of 1,000 meters. About 14 Mt of crude ore is extracted from the orebodies each year
- Kiruna population: c. 18,000

## Rakkurijoki

- Excellent Location:
  - 6km from Kiruna
  - 500m from the rail
  - 250m from the road
- Open pit mining potential
- Current Inferred resources of 74.5Mt @ 39.7% Fe
- Mineralisation currently open at a depth of >400m
- Area of national interest for mining
- Upgrades to 69% Fe saleable product
- 25-30,000m DD programme to target JORC measured resource in 2012

## Altavaara

- JORC Exploration Target
- 650m from major road
- 15km from Kiruna



## Appendix B

# Gold, Copper-Gold and Lead-Zinc-Silver Projects

### Finmark and Troms Projects

The Finnmark Project consists of the Njivlojávri Project and the Fiskarfjellet Projects located in Finnmark, Northern Norway. The Troms Project consists of the Ringvassøya Project in Troms, Northern Norway.

#### Njivlojávri Project

A new copper-gold discovery was made at the Njivlojávri Project, located in the Kautokeino Greenstone Belt approximately 35 kilometres northwest of Kautokeino and is prospective for Bidjovagge-type copper-gold mineralisation.

The new copper-gold discovery (Suovrrajávri) was made between two previously known discoveries (Suovrravarri and Njivlojávri) which are separated by a distance of 3.5 km. Mapping of the mineralisation at Suovrrajávri identified a north/south striking, bedding-parallel mineralised zone of pervasively carbonate-albite altered diabase. The north/south structure is weakly mineralised (disseminated and veined chalcopyrite) over a width of 30-35m with copper-gold values of between 0.1-0.6% Cu and up to 0.11g/t Au. However scattered along the length of this north/south zone is fist-sized float of semi-massive to massive chalcopyrite which appears locally derived (i.e. not glacially derived) and very similar to the mineralisation at Suovrravarri to the north and at Njivlojávri to the south.

These rich float samples returned values of 32.1% Cu, 3.75g/t Au (KA11029) and 7.46% Cu, 5.93g/t Au (KA11030). Results of the C-horizon soil sampling from Njivlojávri has indicated an Au-Cu anomaly of more than 2 km in length. Considering the wide spacing (50m x 200m) of the soil sampling the anomalous trends show remarkable consistency across multiple elements. The widely spaced soil profiles show a distinct gold anomaly bound to the mineralised N-S trending fault or shear zone and a weaker parallel gold anomaly appears approximately 100m to the east and indicates potential for additional auriferous N-S shear structures. The outcropping mineralised structure and its associated gold soil anomaly has, as expected, a coincident copper anomaly.

Early exploration work by Scandinavian Resources at the Njivlojávri Project has confirmed the area as hosting, in outcrop and soils, copper-gold mineralisation over a substantial strike length. Initial mapping has shown that the mineralisation (Suovrravarri to Njivlojávri) is probably at the same stratigraphic level as the Bidjovagge mineralisation and is also located south of and hosted in the same anticline as Suovrrappat which is of Bidjovagge-type.

Importantly the structural architecture of the project is conducive to hosting shear hosted gold mineralisation; the mineralisation is located approximately 1 km from the major regional NNW-SSE fault structure and there is potential for further copper-gold discoveries at the project with large areas covered by thin glacial cover.

Detailed mapping of the entire project area has been planned for the upcoming summer field season in addition to ground based geophysics including magnetics and electromagnetics (EM).

## Appendix B

### Gold, Copper-Gold and Lead-Zinc-Silver Projects

#### Fiskarfjellet Project

The Fiskarfjellet Project is located in the Alta-Kvænangen tectonic window in Finnmark, approximately 20 kilometres south-west of Alta and is prospective for Nussir-type copper mineralisation.

Field mapping and reconnaissance of the project during the 2011 summer field season revealed several kilometres of copper-mineralised dolomite across three separate dolomite horizons namely at Fiskarvatnet, Flomvatnet and Kvartpåttevatnet. The main copper mineralisation at Fiskarvatnet has currently been traced over 6 km in strike length through both outcrop and boulder fields.

The copper mineralisation at the Kvartpåttevatnet Prospect, located in the western part of the Fiskarfjellet Project, has been traced for more than three kilometres to date with consistent copper and silver grades of 2.09% Cu, 7.6g/t Ag (AL11058), 1.61% Cu, 7.4g/t Ag (AL11059), 1.47% Cu, 6.0g/t Ag (AL11060) and 1.03%Cu, 6.3g/t Ag (AL11061). .

The dolomite horizon at Kvartpåttevatnet continues for a further three km to the south and will be investigated during the 2012 summer field season in addition to ground magnetic, induced polarisation (IP) and electromagnetic EM surveys.

#### Ringvassøya Project

The Ringvassøya Project is located within the Ringvassøy Greenstone Belt, an Archaean supracrustal belt within the West Troms Basement Complex, 80 kilometres north of Tromsø, Norway. Mining on the island of Ringvassøya began as early as 1860 but it wasn't until the 1980's that the known gold occurrences received much exploration attention.

The Ringvassøya Project consists of SRAB has claims covering three known gold occurrences namely the Sjørdalshøgda, Holmvasshøgda and Hårskoltan prospects each of which are located near the transition between the greenschist and amphibolite domains.

The gold mineralisation at Sjørdalshøgda is hosted in hydrothermal, sugar-grained and laminated quartz veins with disseminated pyrite, chalcopyrite and pyrrhotite. The quartz veins are spatially bound to a quartz-porphyritic, medium-grained felsic intrusive (tonalite) containing tourmaline and are likely the result of the competency contrast between the tonalite and the surrounding greenstones. The vein frequency increases with increased deformation and they veins are generally parallel to foliation in the tonalite, occasionally weakly foliated but not folded. The tonalite is cut by irregular, northwest trending diabase dykes.

## Appendix B

### Gold, Copper-Gold and Lead-Zinc-Silver Projects

The quartz veins at Sjørdalshøgda whilst high-grade appear limited in width and length; the main northern vein is 7m long and 30-40cm wide and the main southern vein is several metres long and 45cm wide where exposed in a digging; both of these main veins contain pyrite-chalcopyrite-pyrrhotite mineralisation and have mylonitic, chlorite-ankerite altered contacts. Dump sampling of the main northern vein by Scandinavian Resources returned 9.05g/t Au, 11g/t Ag, 9450ppm Cu (RI11042).

At Sjørdalshøgda South stratabound Au-Zn-As-Ag mineralisation occurs in strongly oxidised quartz-carbonate chlorite schist with abundant magnetite, garnet and biotite. This prospect has been drill tested in the early 1980's which outlined a 350m long by 60m wide zone with a variable thickness of 1-2m; the best intersection from the historical drilling returned 1.45g/t Au, 5g/t Ag and 0.86% Zn over 2m. Sampling of this mineralisation by Scandinavian Resources returned 1.7g/t Au, 11.6g/t Ag, 3960ppm Zn (RI11016) and 1.36g/t Au, 10.9g/t Ag, 6460ppm Zn (RI11017). The stratabound Au-Zn-As-Ag mineralisation at Sjørdalshøgda South is considered a high priority target area for future work at the Ringvassøya Project as this type of gold mineralisation is more likely to reach the necessary dimensions and grades for a viable gold deposit.

Gold exploration at the Holmvasshøgda Prospect was first initiated in 1982 by ASPRO where stream sediment sampling outlined a 1200m long gold anomaly along the Dåfjord Fault which was subsequently drill tested with seven holes. Whilst the peak gold value from the drilling in 1982 was only 1m @ 1.08g/t Au, the drill holes were widely spaced at 500m apart and unfavourably collared in the diabase. The structural complexity of the Dåfjord Fault system at the Holmvasshøgda Prospect requires further investigation through detailed magnetic surveys, as gold mineralisation is possibly related to cross-cutting splays off the main Dåfjord fault. An IP survey and bottom-till sampling has been scheduled for the 2012 summer field season at Holmvasshøgda.

A large carbonate altered tonalite outcrops at the Hårskoltan Prospect which has been cut by two generations of diabase dykes. Norwegian exploration company ASPRO explored the prospect in the early 1980's where they mapped and sampled a 1500m long quartz vein located south of the tonalite within greenstones. ASPRO sampling of the extensive quartz vein returned a peak value of 15g/t Au and their work also demonstrated that the sugary quartz veins within the tonalite are not auriferous.

Sampling of the quartz vein at Hårskoltan during the 2011 summer field season returned relatively low gold values of between 0.1-0.4g/t Au although a peak sample of 11.4g/t Au from RI11013 was returned. IP and magnetic survey work has been recommended as follow up work at the Hårskoltan Prospect during the 2012 summer field season.

## Appendix B

### Gold, Copper-Gold and Lead-Zinc-Silver Projects

#### Caledonide Projects

The Caledonide Projects consist of the Särksjön Project, Daningen Project and the Famnvatnet Project located in Sweden. These projects are held by Scandinavian Resources' wholly owned subsidiary, SRAB.

#### Särksjön Project

The Särksjön Project is located 800 km northwest of Stockholm, Sweden and approximately 120 km west of Vilhelmina, in the Swedish Caledonides which hosts multiple base metal mineral deposits and mines.

In 1965, four diamond drillholes were completed testing the anomalous outcrop at Särksjön. The holes were all shallow and were not assayed for gold at the time. One of the holes is still kept in archive at the SGU core archive facility in Malå, Sweden and has recently been re-logged, sampled and cut by SRAB. LEI65003 has returned excellent assay results and confirms the high grade gold and multi-element mineralisation returned from outcrop sampling completed in 2010 by SRAB.

Two of the samples assayed returned narrow, high grade gold, silver and base metal values:

- 0.34m @ 28.1g/t Au, 14.2g/t Ag, 1.5% Pb, 2.15% Zn and 0.35% Cu (K585816)
- 0.1m @ 21.6g/t Au, 25.9g/t Ag, 2.12% Pb, 3.17% Zn and 0.89% Cu (K585818)

In 2011, SRAB completed a fixed-loop transient electromagnetic (FLTEM) survey and an IP survey at the Särksjön Project, both of which returned conductive anomalies. Drill planning has recently been completed and the appropriate paperwork has been submitted to the Inspector of Mines. Diamond drilling of the anomalies is scheduled for July 2012 and will be completed with a heli-portable drill rig.

#### Daningen Project

A workplan has also been submitted for a combined ground magnetic and electromagnetic EM survey to be completed at the Daningen Project, located approximately 50km southwest of Tärnaby, Sweden. The workplan has also allowed for drilling of possible anomalies generated from the ground geophysics.

The geophysics survey will take place whilst there is still snow on the ground (March-April 2012) to aid in the ease of the survey but any potential drilling would not occur until summer. Previous outcrop sampling by Scandinavian Resources at the project returned copper values including 4.95% Cu (KS09004), 6.55% Cu (KS09005), 4.99% Cu (KS09006), 2.26% Cu (KS09007), 7.13% Cu (KS09008), 4.86% Cu (E10005) and 1.39% Cu (E10006).

## **Appendix B**

### **Gold, Copper-Gold and Lead-Zinc-Silver Projects**

#### Famnvatnet Project

Drill collars at the Famnvatnet Project, located 50 kilometres west of Tärnaby, Sweden, have been surveyed with an accurate real time kinematic (RTK) global positioning system (GPS) [Note: please define]. The collar surveying has shown that there are elevation differences between actual drill collars and what was planned when modelling the airborne EM [Note: please define] data. Re-modelling of the targets using the correct elevation data has shown that several of the modelled anomalies were not reached in the drilling completed in 2010.

Downhole EM surveying of holes which have failed to intersect the modelled conductors has been recommended and is scheduled to take place during the summer field season.

#### **Other Projects**

These projects are held by Scandinavian Resources' wholly owned subsidiary, SRAB.

The Company's Korpilombolo Project is located approximately 50 kilometres southwest of Pajala, northern Sweden. Gold and copper mineralisation was first discovered at Korpilombolo by prospectors participating in the annual 'Mineral Hunt' in 1998.

The sample collected by the prospectors from a quartz-magnetite-bornite rich vein returned a value of 15.75g/t Au, 0.6% Cu. The local bedrock of the project area mainly consists of migmatic, sillimanite-bearing metasedimentary rocks, amphibolites and dioritic intrusives. Reconnaissance field mapping by Scandinavian Resources' staff located the mineralised outcrop and observed that bedrock is poorly exposed in the area. Airborne magnetic imagery indicates the presence of multiple regional scale fault structures located within the project area. Additional field reconnaissance and mapping is scheduled for the summer field season.

## Competent Persons Statements

### Mineral Resources — Rakkurijärvi, Rakkurijoki, Discovery, Tributary Zone, and Puoltsa prospects

The information in this Target's Statement that relates to Mineral Resources for the Rakkurijärvi, Rakkurijoki, Discovery, Tributary Zone and Puoltsa prospects is based on information compiled by Mr Thomas Lindholm, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Lindholm is a full-time employee of Geovista AB, Luleå, Sweden. Mr Lindholm has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lindholm consents to the inclusion in this Target's Statement of the matters based on his information in the form and context in which it appears.

### Mineral Resources — Ekströmsberg, Tjärrojåkka and Pattok prospects

The information in this Target's Statement that relates to Mineral Resources for the Ekströmsberg, Tjärrojåkka, and Pattok prospects is based on information compiled by Dr Christopher Wheatley, who is a member of the Institute of Materials Minerals and Mining. Dr Wheatley is a full-time employee of Behre Dolbear International Ltd in the United Kingdom. Dr Wheatley has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Wheatley consents to the inclusion in this Target's Statement of the matters based on his information in the form and context in which it appears.

### Mineral Resources — Vieto, Sautusvaara, Renhagen and Harrejaure prospects

The information in this Target's Statement that relates to Mineral Resources for the Vieto, Sautusvaara, Renhagen and Harrejaure prospects is based on information compiled by Mr Geoffrey Reed, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Reed is a full-time employee of Minarco-MineConsult. Mr Reed has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Reed consents to the inclusion in this Target's Statement of the matters based on his information in the form and context in which it appears.

### Exploration Targets

The information in this presentation that relates to Exploration Targets is based on information compiled by Mr Thomas Lindholm, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Lindholm is a full-time employee of Geovista AB, Luleå, Sweden. Mr Lindholm has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lindholm consents to the inclusion in this Target's Statement of the matters based on his information in the form and context in which it appears.

### Exploration Results

The information in this presentation that relates to Exploration Results is based on information compiled by Ms Amanda Scott, Exploration Manager, Scandinavian Resources Ltd, who is a Member of the Australasian Institute of Mining and Metallurgy. Ms Scott is a full-time employee of the Company. Ms Scott has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined by the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Scott consents to the inclusion in this Target's Statement of the matters based on her information in the form and context in which it appears.