

SCANDINAVIAN RESOURCES LIMITED

ABN 99 132 035 842

SECOND SUPPLEMENTARY PROSPECTUS

1. IMPORTANT NOTICE

This Second Supplementary Prospectus is dated 19 February 2010 and is supplementary to the prospectus dated 21 October 2009, the replacement prospectus dated 6 November 2009 (**Prospectus**) and the first supplementary prospectus dated 21 January 2010 (**First Supplementary Prospectus**) issued by Scandinavian Resources Limited (ABN 99 132 035 842) (**Company**). This Second Supplementary Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 19 February 2010. The ASIC does not take any responsibility for the contents of this Second Supplementary Prospectus.

The Second Supplementary Prospectus and the First Supplementary Prospectus must be read together with the Prospectus. If there is a conflict between the Prospectus and this Second Supplementary Prospectus, this Second Supplementary Prospectus will prevail. Terms defined in the Prospectus have the same meaning in this Second Supplementary Prospectus.

2. EXTENSION OF TIME TO LIST ON ASX AND OBTAIN THE MINIMUM SUBSCRIPTION

The Corporations Act has the effect that if a prospectus states that securities are to be quoted on ASX and those securities are not admitted to quotation on ASX within 3 months after the date of the prospectus, the issue of securities under that prospectus is void and application monies must be returned. The shares and options (**Securities**) the subject of the offer under the Prospectus have not been admitted to quotation and were not admitted to quotation on ASX within three months of the date of the Prospectus.

The Corporations Act also has the effect that if a prospectus states a minimum subscription that must be raised under the prospectus and that amount is not raised within four months of the date of that prospectus, the issue of securities under that prospectus is void and application monies must be returned. The minimum subscription under the Prospectus is \$6,500,000 (**Minimum Subscription Amount**). The Company does not anticipate that it will raise the Minimum Subscription Amount before 21 February 2010, four months from the date of the Prospectus.

Accordingly, this Second Supplementary Prospectus has been lodged following the granting of a modification by the ASIC pursuant to section 741(1) of the Corporations Act 2001 (Cth) (**Act**) on 19 February 2010. The modification relates to the amendment of sections 723(3)(b), 724(1)(a), 724(1)(b) and the insertion of a new section 724(1B) of the Act. The grant of the modification gives the Company a further 2 months after the date of this Second Supplementary Prospectus to obtain quotation of the Securities on ASX (being 19 April 2010). The modification also gives the Company a further 2 months after the date of this Second Supplementary Prospectus to raise the Minimum Subscription Amount (being 19 April 2010).

Given the abovementioned extensions, the board of directors of the Company have extended the General Offer closing date to **5 April 2010**. The directors reserve the right to close the General Offer early.

3. EFFECT OF THE SECOND SUPPLEMENTARY PROSPECTUS

The effect of this Second Supplementary Prospectus, and a condition of ASIC's relief, is that the Company must give applicants a copy of this Second Supplementary Prospectus and one month from the date of this Second Supplementary Prospectus to withdraw their application and be repaid their Application Money in full. The Company will not pay interest on Application Monies refunded.

Whilst the Company has received Applications pursuant to the Prospectus, no Applications have been processed and no Shares have been issued.

Any investor who wishes to obtain a refund should, post a written request to Computershare Investor Services Pty Ltd, GPO Box D182, Perth WA 6840, or deliver their written request to Computershare Investor Services Pty Ltd, Level 2, Reserve Bank Building, 45 St Georges Terrace, Perth WA 6000 within one (1) month of the date of this Second Supplementary Prospectus to withdraw their Application and be repaid. The details of the refund cheque (including the address to which it should be sent) must correspond to the details contained in the Application Form lodged by that investor. Refund requests must be received by Computershare Investor Services Pty Ltd by 5pm WST on 19 March 2010.

4. INDICATIVE TIMETABLE

The Key Dates Timetable in Section 1 is replaced by the following timetable:

Lodgement of Replacement Prospectus with ASIC	6 November 2009
Opening Date of the Offer	6 November 2009
Hannans Reward Ltd Shareholder Priority Offer closing date	27 November 2009
Expected Closing Date of the Offer	5.00 pm (AWST) on 5 April 2010
Dispatch of holding statements	8 April 2010
Expected date for Shares and Options to commence trading on ASX	19 April 2010

Notes:

1. The Directors reserve the right to vary these dates for any reason.
2. Investors are encouraged to submit their Applications as early as possible. The Directors reserve the right to close the Offer early or later than as indicated above, subject to the requirements of the Corporations Act.
3. The above are anticipated dates only. The dates the Securities are expected to be issued and/or commence trading on the Official List of ASX may vary with any changes to the Closing Date.

5. APPLICATIONS FOR SECURITIES

Investors who have NOT previously submitted an Application Form

All new applications for Securities must be made on the Application Form attached to or accompanying this Second Supplementary Prospectus. The Application Form contains detailed instructions on how it is to be completed. Applications must NOT be made on an Application Form attached to or accompanying the original prospectus or the replacement prospectus.

Applicants who HAVE previously submitted an Application Form and DO NOT want to withdraw their Application

Applicants who have already lodged an Application Form attached to or accompanying the Prospectus DO NOT need to complete a further Application Form in order to receive their Securities.

Applicants may, however, lodge a further Application Form if they wish to apply for additional Securities in accordance with the instructions set out above for new investors. The Company reserves the right to issue to an Applicant a lesser number of Securities than the number applied for or to reject an Application.

Applicants who HAVE previously submitted an Application Form and DO want to withdraw their Application

Applicants may withdraw their applications and be repaid any application monies upon written request to the Company as follows:

Mailed to:

Scandinavian Resources Limited
c/o Computershare Investor Services Pty Ltd
GPO Box D182
PERTH WA 6840

or

Delivered to:

Scandinavian Resources Limited
c/o Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000

The details of the refund cheque (including the address to which it should be sent) must correspond to the details contained in the Application Form lodged by that Applicant.

An Applicant who wishes to withdraw must ensure that written notice is received by the Company no later than 5.00pm WST on 19 March 2010.

If the Applicants choose to withdraw their application, the Company will repay Application Monies in full but without interest.

6. ASX LISTING

Section 3.11 of the Prospectus is replaced by the following paragraph:

The Company has applied to ASX for the Company to be admitted to the Official List of ASX and for the Securities to be admitted to quotation on ASX. Following the granting of the modification by ASIC, the Securities must be admitted to quotation within 2 months of the date of the Second Supplementary Prospectus. If the Securities are not admitted to quotation by 19 April 2010, all Applications monies will be dealt with in accordance with the Corporations Act.

7. DIRECTORS' AUTHORISATION

This Second Supplementary 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 Second Supplementary Prospectus with the ASIC.

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

Ian Gregory
Director
For and on behalf of
Scandinavian Resources Limited

Note: All other details in relation to the Prospectus remain unchanged. The Directors believe that the changes in this Second Supplementary Prospectus are not materially adverse from the point of view of an investor.

INSTRUCTIONS TO APPLICANTS

Please post or deliver the completed Application Form together with a cheque to the share registry of the Company. The Form must be received by the Registry no later than 5.00pm on the closing date of the Offer.

A. Application for Shares

The Application Form must only be completed in accordance with instructions included in the Prospectus.

B. Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected.

C. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.

D. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

E. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Application Form.

F. CHESS HIN or existing SRN Details

The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN. If the applicant is an existing shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

G. Cheque Details

Make cheques payable to "Scandinavian Resources Limited – Share Offer Account" in Australian currency and cross them "Not Negotiable". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Application Form.

H. Declaration

By completing the Application Form, the Applicant will be taken to have made to the Company the declarations and statements therein. The Application Form does not need to be signed.

If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept an Application Form, and how to construe, amend or complete it, shall be final. An Application Form will not however, be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque.

Forward your completed application together with the application money to:

Scandinavian Resources Limited – Share Offer Account
C/- Computershare Investor Services Pty Ltd
GPO Box D182
PERTH WA 6840

OR

Scandinavian Resources Limited – Share Offer Account
C/- Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St. George's Terrace
PERTH WA 6000

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund