

# HANNANS

24 June 2014

ASX ANNOUNCEMENT

## Joint Venture at Lake Johnston Nickel Project

- Experienced nickel team to explore Lake Johnston nickel sulphide project; Hannans to retain 20% interest, free carried through to a Decision to Mine

Hannans Reward Ltd (ASX:HNR) (Hannans or the Company) is pleased to advise that it has entered into an agreement with Reed Resources Ltd (ASX:RDR) (**Reed Resources**) over its Lake Johnston nickel sulphide project, located west of Norseman in Western Australia (refer Location Plan on page 2).

Reed Resources' experienced nickel sulphide specialists Mr. Gordon Kelly (geochemist) and Mr. Richard Stuart (geophysicist) have completed extensive due diligence on Hannans' portfolio of nickel sulphide exploration projects during the last 15 months and in particular the Mt Gordon nickel sulphide prospect at Lake Johnston. By way of introduction Mr Stuart was a partner in ANPC, the organisation that founded Western Areas NL (ASX:WSA), both Mr Stuart and Mr Kelly commenced their nickel exploration experience with Western Mining Corporation in the late 1960's and were long term employees of Western Areas, Mr Kelly in the role of Senior Nickel Project Geochemist/Geologist and Mr Stuart as Exploration Manager.

Hannans chose to enter into an agreement with Reed Resources because Mr Kelly and Mr Stuart have the technical expertise required to effectively test Mt Gordon, thereby providing Hannans shareholders with exposure to future exploration success. Hannans is not required to fund expenditure until such time as a Decision to Mine is made by Reed Resources. If Hannans elects not to contribute at that time, its interest will convert to a 2% Net Smelter Return royalty.

Hannans has made significant progress exploring for nickel sulphide mineralisation at Lake Johnston and Reed Resources can now add to that knowledge. In 2012 Hannans intersected (please refer ASX Announcement 30<sup>th</sup> August 2012) nickel sulphide mineralisation in a single reverse circulation drillhole (**MGR059**) it drilled to test the coincident copper-nickel auger geochemistry anomaly at Mt Gordon; significant intercepts (lower cut-off grade of 0.25% Ni) included:

Hole ID	MGA East	MGA North	Dip	Azi	Total Depth	From (m)	To (m)	Interval (m)	Ni Grade (%)
MGR059	290825	6400803	-60	090	174	16	64	48	0.30
						96	98	2	0.56
						118	134	16	0.26
						140	168	28	0.28

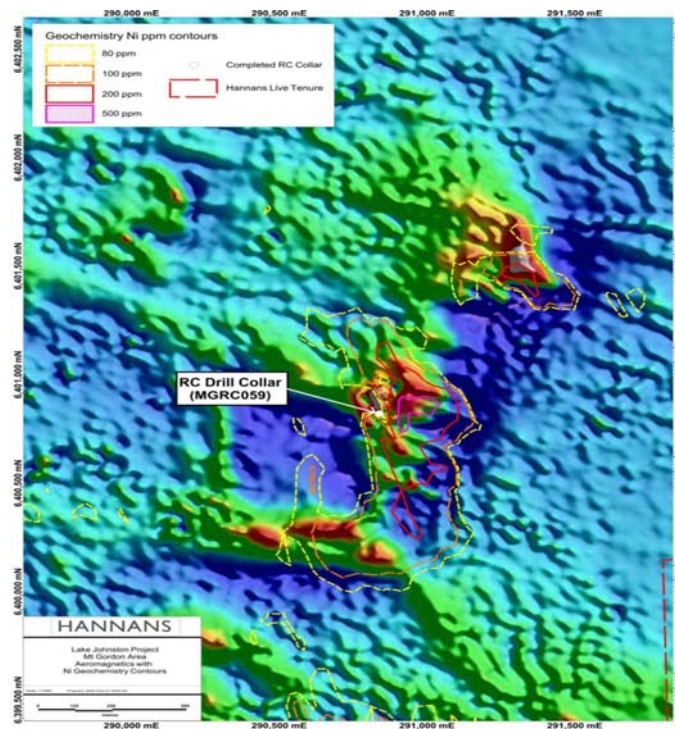
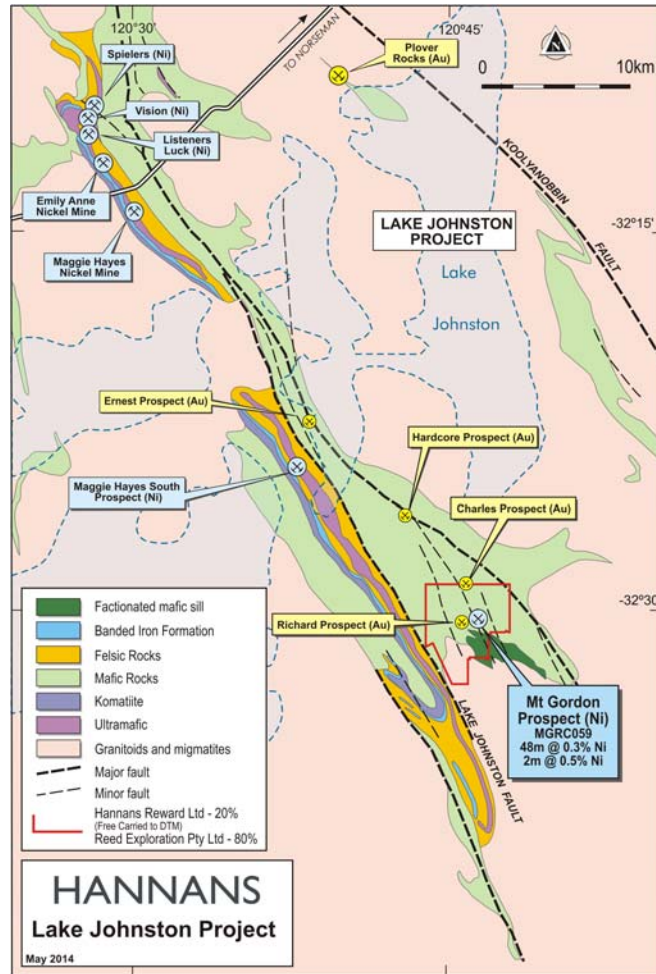
**Table 1:** Mt Gordon Ni RC Drilling Summary Table (Previously Reported)

In 2013 a geochemical analysis of drill samples from MGR059 completed by Dr Nigel Brand confirmed the presence of "a fertile, high-MgO reduced komatiite with the potential to host high tenor nickel sulphides". Petrographical analysis of the same drill samples completed by Dr Craig Rugless confirmed the presence of pentlandite and violarite (after pentlandite).

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As part of its due diligence process Reed Resources has completed additional petrography on samples from MGRC059 which confirmed trace amounts of slightly supergene altered (violarite) pentlandite plus accessory pyrrhotite and chalcopyrite coincident with the end of hole sample that returned approximately 1% sulphur plus subgrade nickel. MGRC059 did not penetrate the footwall contact which is typically the prospective position for nickel sulphide accumulation in komatiite-hosted nickel sulphide deposits. To this end Reed Resources is planning to test the footwall position with additional drilling and subsequent downhole geophysical surveys (electro-magnetic).

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### Hannans Reward Ltd

Hannans Reward Ltd (ASX:HNR) is an exploration company with a focus on copper, gold, nickel and iron projects in Scandinavia. It has JORC compliant copper, gold and iron resources in Sweden and announced in March 2014 that it had entered into an exclusive rights agreement with a Third Party over its Rakkuri Iron Project in Sweden. Since listing on the Australian Securities Exchange in 2003 Hannans has signed agreements with Vale Inco, Rio Tinto, Anglo American, Boliden, Warwick Resources, Cullen Resources, Nickel Australia, Reed Resources, Tasman Metals and Grängesberg Iron. For more information please visit [www.hannansreward.com](http://www.hannansreward.com).

### Competent Persons Statements

The information in this document that relates to exploration results is based on information compiled by Amanda Scott, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (Membership No.990895). Amanda Scott is a full-time employee of Hannans Reward Ltd. Amanda Scott 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 in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Amanda Scott consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this document that relates to drilling results from Mt Gordon is extracted from the ASX Announcement titled "Nickel Sulphides Confirmed at Lake Johnston Project" created on the 30<sup>th</sup> August 2012 and is available to view on ([www.hannansreward.com](http://www.hannansreward.com)). The Company confirms that it is not aware of any new information or data that materially effects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.