

# HANNANS

ASX:HNR

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## ANNUAL GENERAL MEETING

20<sup>th</sup> November 2014  
Perth, Australia

Hannans Reward Ltd  
ABN: 52099862129

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# STRATEGY

## **Vision**

Our vision is to build a successful exploration and production company.

## **Mission**

Our mission is to develop a company that has a material interest in a portfolio of mineral projects that are being rapidly progressed whether they are exploration, development or production assets.

We recognise that maintaining a professional, knowledgeable and ethical team of directors, employees and consultants is the key to our business.

Our focus is to provide shareholders with a satisfactory return on investment on managing our people, projects and capital in an entrepreneurial and responsible manner.

*(Source: Hannans Annual Report 2014)*

# ASSETS

## **Pahtohavare Copper Project (Sweden)**

- ∂ Brownfields copper project with drill ready copper sulphide targets
- ∂ Copper oxide resource<sup>1</sup> (1.4Mt @ 1.8% Cu) amenable to contract mining with excellent access to infrastructure

## **Rakkuri Iron Project (Sweden)**

- ∂ High quality iron project, strategically located with excellent access to infrastructure

## **Lannavaara Iron Project (Sweden)**

- ∂ Large iron project at early stage of development
- ∂ Opportunity for development of natural gas pipeline to supply Lapland with energy

## **Exploration Portfolio (Sweden & Australia)**

- ∂ Lake Johnston Nickel Project: 20% free carried interest in nickel project located along strike from nickel mine currently being brought back into production
- ∂ Altavaara (Cu, Au, Fe), Särksjön (Poly Metallic)

## **Capital**

- ∂ \$3m due to Hannans during 2015 from Avalon Minerals Ltd (ASX:AVI) (subject to grant of mining lease)
- ∂ ~\$0.75M cash and receivables

# ACHIEVEMENTS 2014

## **Pahtohavare Copper Project**

- ∂ Completed plans for drill testing copper sulphide targets
- ∂ Completed metallurgical test work on oxide copper ore
- ∂ Commenced internal scoping study on production potential of oxide ore

## **Kiruna Iron Project**

- ∂ Entered into exclusive due diligence agreement with Third Party in consideration for receipt of USD1 Million

## **Lannavaara Iron Project**

- ∂ Completed 1<sup>st</sup> round of information meetings with Stakeholders
- ∂ Commenced scoping study on production potential of Paljasjärvi deposit
- ∂ Completed study for natural gas and iron concentrate pipeline

## **Divestments**

- ∂ Entered into Joint Venture Agreement with Reed Resources Ltd (ASX:RDR) over Lake Johnston Nickel Sulphide Project and maintained 20% free carried interest

## **R&D**

- ∂ Initiated research in to cost effective geophysical surveys and geochemical drilling

## **Corporate**

- ∂ Nil equity issued during the year

# CHALLENGES 2014

## Commodities Prices

- ∂ Collapse of iron ore price (decreased by ~45% in 2014)
- ∂ Volatility and falls in copper, nickel and gold prices

## Exploration

- ∂ Fall in exploration expenditure by resource companies on global basis made finding strategic partners very difficult
- ∂ Minimal appetite for greenfields exploration projects

## Value Destruction

- ∂ Collapse in value of small-mid cap iron ore companies globally and collapse in equity markets for small-mid cap natural resources companies
- ∂ High profile Administration/Bankruptcy of Northland Resources in Sweden and the Talvivaara Mining Company in Finland has negatively impacted the investment and local community's view of Scandinavia as a suitable investment jurisdiction  
*(Note however the successful sale by Altona Mining Ltd (ASX:AOH) of its Finnish mine to Boliden for USD\$95M)*

## Social & Environmental

- ∂ Increased public focus on environmental damage caused by certain mines
- ∂ Sami Parliament position is that all natural resources above and below the ground belong to the Sami

# GOALS 2015

## **Pahtohavare Copper Project**

- ∂ Intersect copper sulphide mineralisation beneath existing Southern and Central deposits & identify new mineralisation between existing Southern and Central deposits
- ∂ Complete scoping study on copper oxide ore

## **Kiruna Iron Project**

- ∂ Realise / Protect value of Rakkuri

## **Lannavaara Iron Project**

- ∂ Continue scoping study

## **Exploration**

- ∂ Lake Johnston Nickel Project: monitor progress of exploration by JV partner

## **R&D**

- ∂ Test airborne geophysical system & geochemical drilling system in an attempt to reduce the costs of exploring through the glacial moraine

## **Corporate**

- ∂ Consider corporate actions / project acquisitions that have potential to improve shareholder returns
- ∂ Receive \$3M from Avalon Resources Ltd (ASX:AVI) (subject to grant of mining lease)
- ∂ Limit equity issues (if any)

# DIRECTORS & MANAGEMENT



**Damian Hicks**  
**Managing Director**

- Co-Founder of Hannans Reward Ltd (2002).
- Financial, legal and compliance qualifications
- Non-executive director of funds management company Growth Equities



**Jonathan Murray**  
**Non-Executive Director**

- Director of Hannans Reward Ltd (2010).
- Partner of Steinepreis Paganin
- Principal legal practice areas include equity capital markets, takeovers, project acquisitions and divestments, corporate governance, commercial law and strategy.



**Markus Bachmann**  
**Non-Executive Director**

- Director of Hannans Reward Ltd (2012).
- 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.



**Olof Forslund**  
**Non-Executive Director**

- Director of Hannans Reward Ltd (2012).
- Geophysicist with extensive international experience in the mineral exploration industry.
- Previously Regional Manager of SGU Mineral Resources Information Office.



**Magnus Arnqvist**  
**Non-Executive Director, Kiruna Iron AB**

- MD of Bergteamet
- 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).



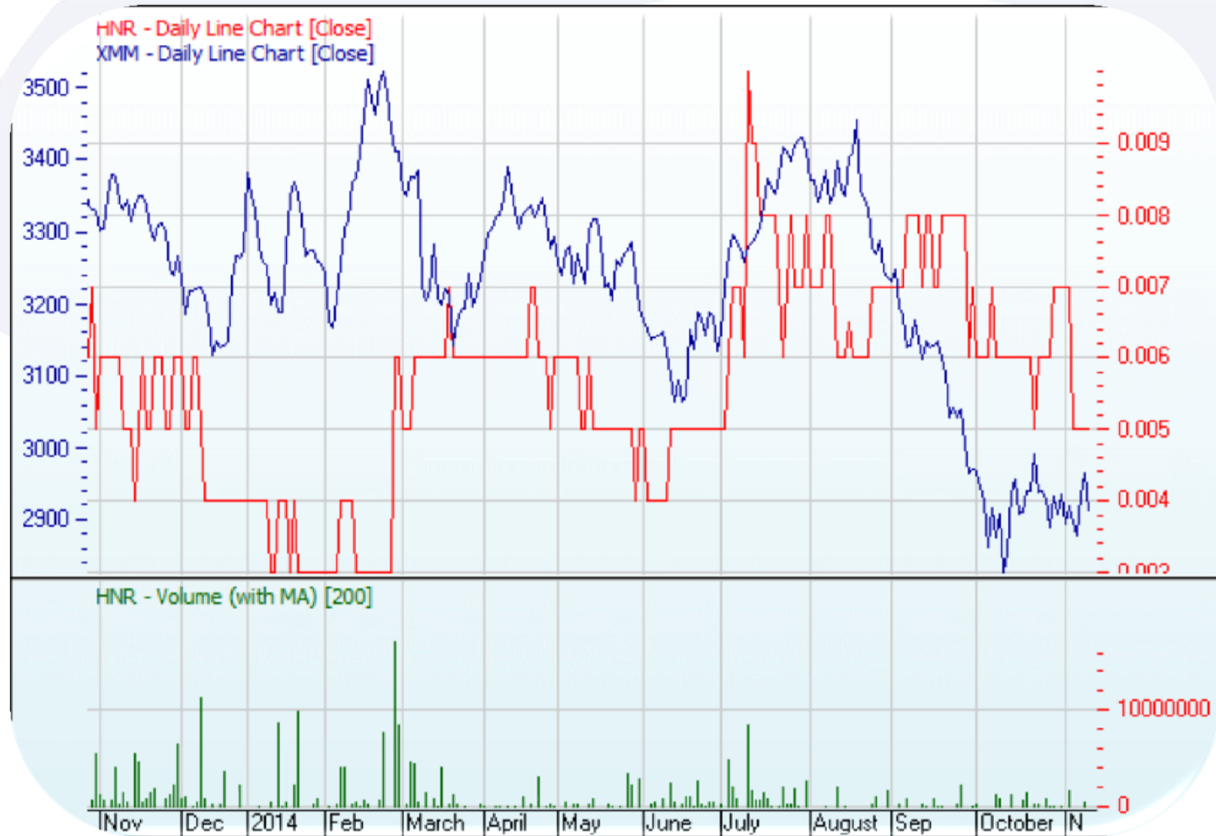
**Amanda Scott**  
**Exploration Manager**

- Geologist with 10 years experience.
- Responsible for developing the Kiruna Iron Project portfolio and the SCR gold and base metals portfolio since inception.
- Previously Exploration Manager for Hannans Reward Ltd (2008-2010) and Scandinavian Resources Ltd (2010–2012)



# CAPITAL STRUCTURE

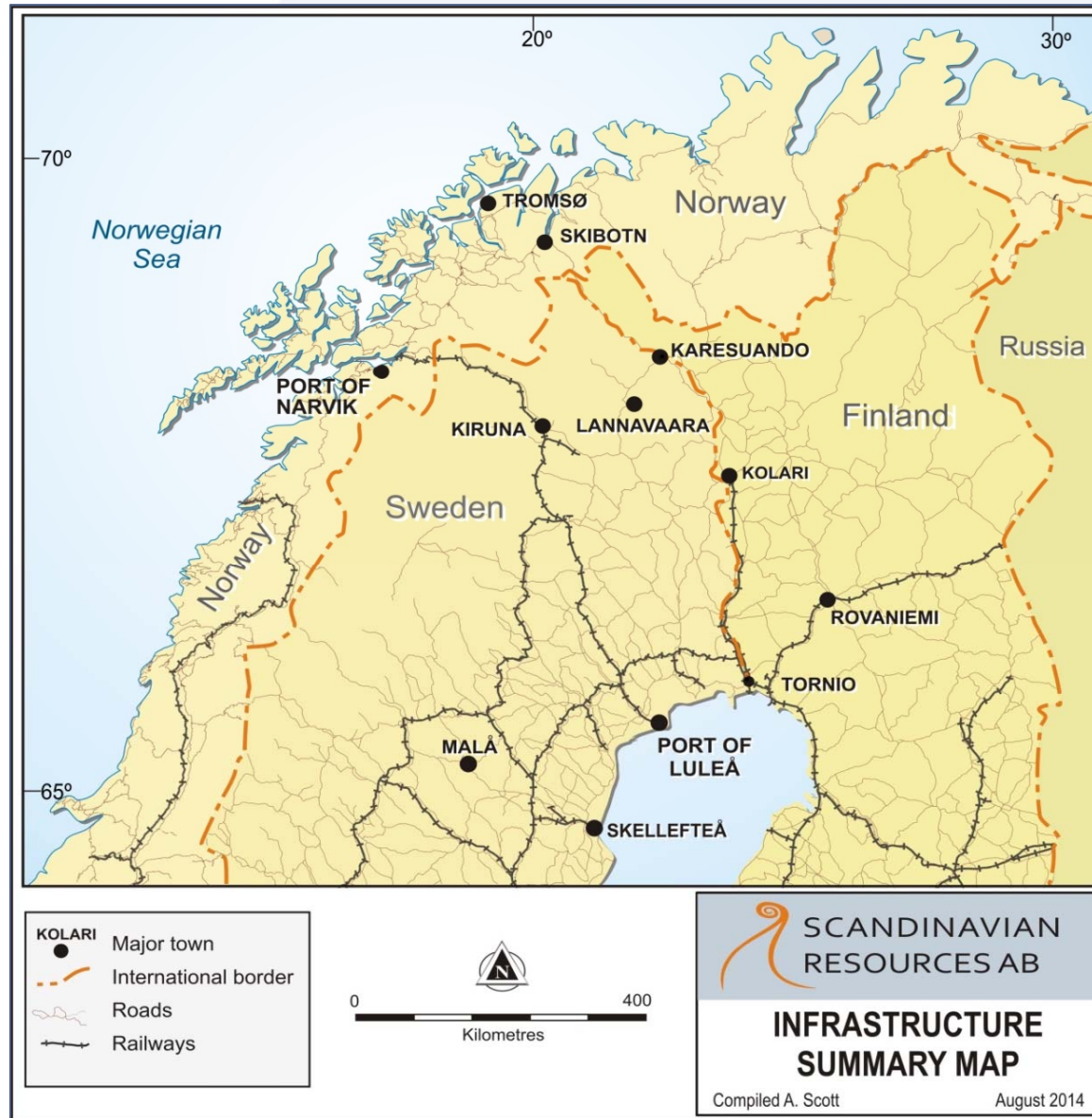
#	Name	%
1	ERI	16.6
2	Craton Capital	8.9
3	Bruce Drummond	3.0
4	Jetosea Pty Ltd	2.8
5	Errawarra Pty Ltd	2.2
	Top 5 Subtotal	33.6
	Top 20 Subtotal	48.3
	1,176 Holders	100.0
	Directors & Management Holdings	9.7



**Red:** Hannans Reward Ltd **Blue:** ASX 300 Metals and Mining (Industry)  
 Source: ASX

Shares on Issue	Options on Issue
721,966,133	Nil

# LOCATION



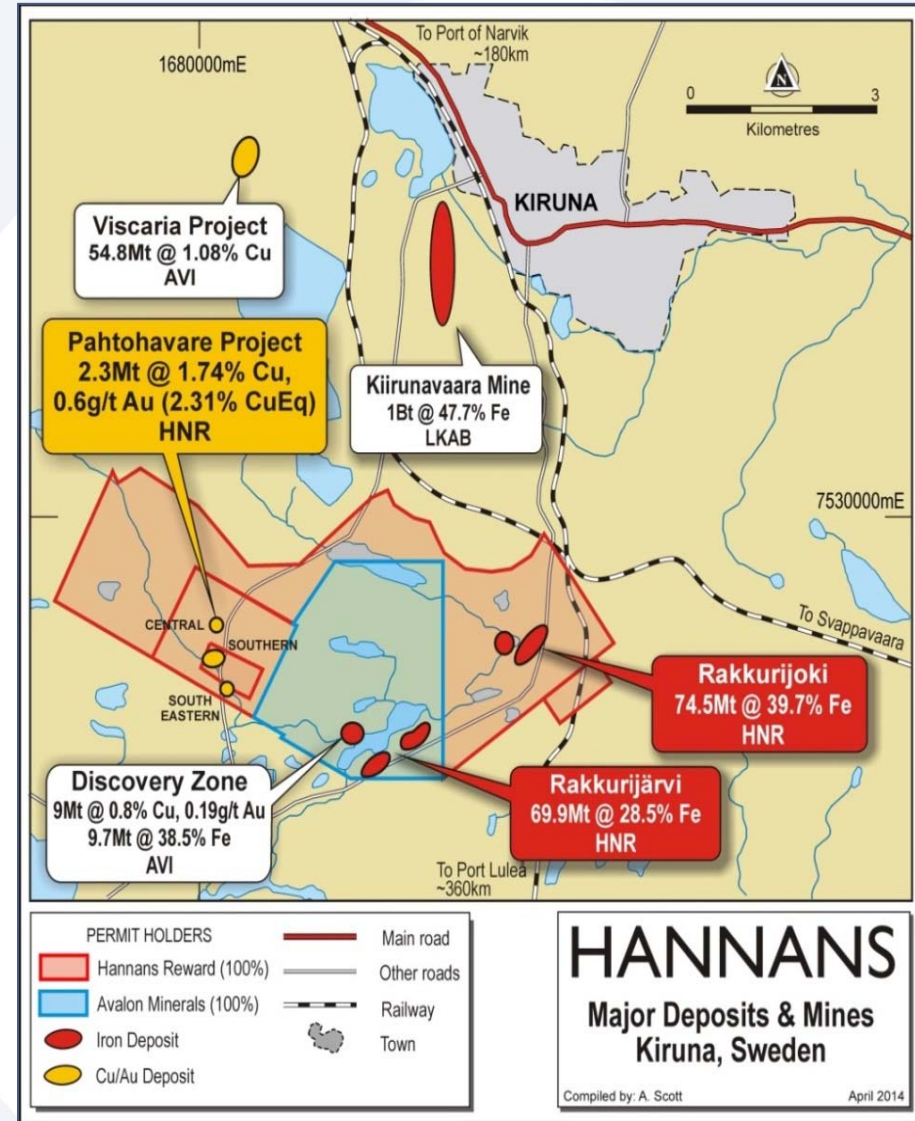
# HIGH GRADE DEPOSITS

Deposit	Production/Reserves	History	Mineralisation
Storliden, Sweden	1.86Mt @ 8.8% Zn, 3.1% Cu, producing 52kt of copper, 150kt of zinc.	Discovered in 1998 by North Atlantic Natural Resources (renamed Lundin Mining), mining commenced in joint venture with Boliden in 2002, closed in 2008.	VMS
Svartliden, Sweden	3Mt @ 4.72g/t Au producing 370koz	Discovered in 1994, acquired by Dragon Mining in 1999. Open pit mining commenced in 2004 followed by underground mining in 2011, closed in 2013	Lode Gold
Zinkgruvan, Sweden	Current reserves: Zn-Rich: 11.8Mt @ 9% Zn, 3.6% Pb, 76g/t Ag Cu-Rich: 3.9Mt @ 2.2% Cu, 0.4% Zn, 31g/t Ag	Discovered in 1857, acquired by Lundin Mining from Rio Tinto in 2004.	SEDEX
Kristineberg, Sweden	Total production to date (2013) 27.8Mt @ 3.74% Zn, 1.04% Cu, 1.4g/t Au, 39g/t Ag, 0.4% Pb Current reserve: 4.8Mt Current resource: 6.4Mt	Discovered in 1918. Mining commenced in 1940's. Production by Boliden ongoing, currently at 650kt/yr.	VMS
Kylylahti, Finland	Current reserve: 4.2Mt @ 1.6% Cu, 0.7g/t Au, 0.6% Zn Current resource: 7.7Mt @ 1.3% Cu, 0.7g/t Au, 0.5% Zn	Discovered in 1984 by Outokumpu, acquired by Altona Mining Ltd (ASX:AOH) in 2010, mining recommenced in 2012 and was sold to Boliden in 2014	Ophiolite

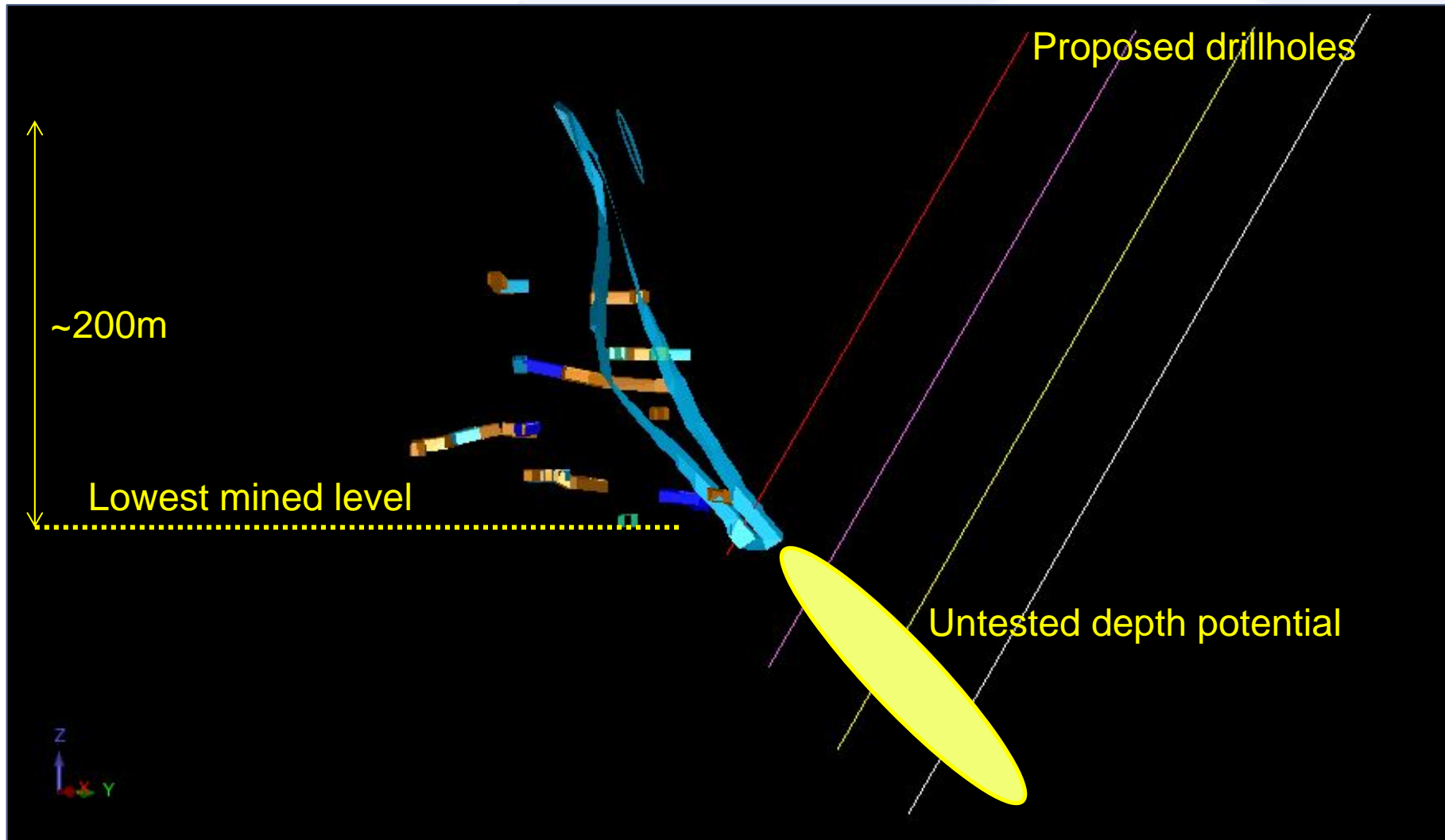
∂ Examples of high grade deposits discovered, developed and mined in Scandinavia

# PAHTOHAVARE

- ∂ Potential for 2-3 high grade copper deposits across the Project
- ∂ At Southern, there is high potential for continuation of copper ore beneath the lowest mined level ~200m. Historical production of ~1.7Mt @ 1.9% Cu, 0.9g/t Au
- ∂ At Central, there is high potential for continuation of copper-gold sulphide ore beneath oxide ore
- ∂ At Central, metallurgical testwork on oxide copper ore is positive, an internal scoping study to assess CAPEX and OPEX is in progress
- ∂ Between Southern and Central there is potential for copper-gold ore, currently ZERO drilling testing contiguous host stratigraphy
- ∂ Drilling workplan lodged (November 2014) to test copper-gold sulphide targets, approval pending
- ∂ Drilling conditions are difficult due to the fractured nature of the ground



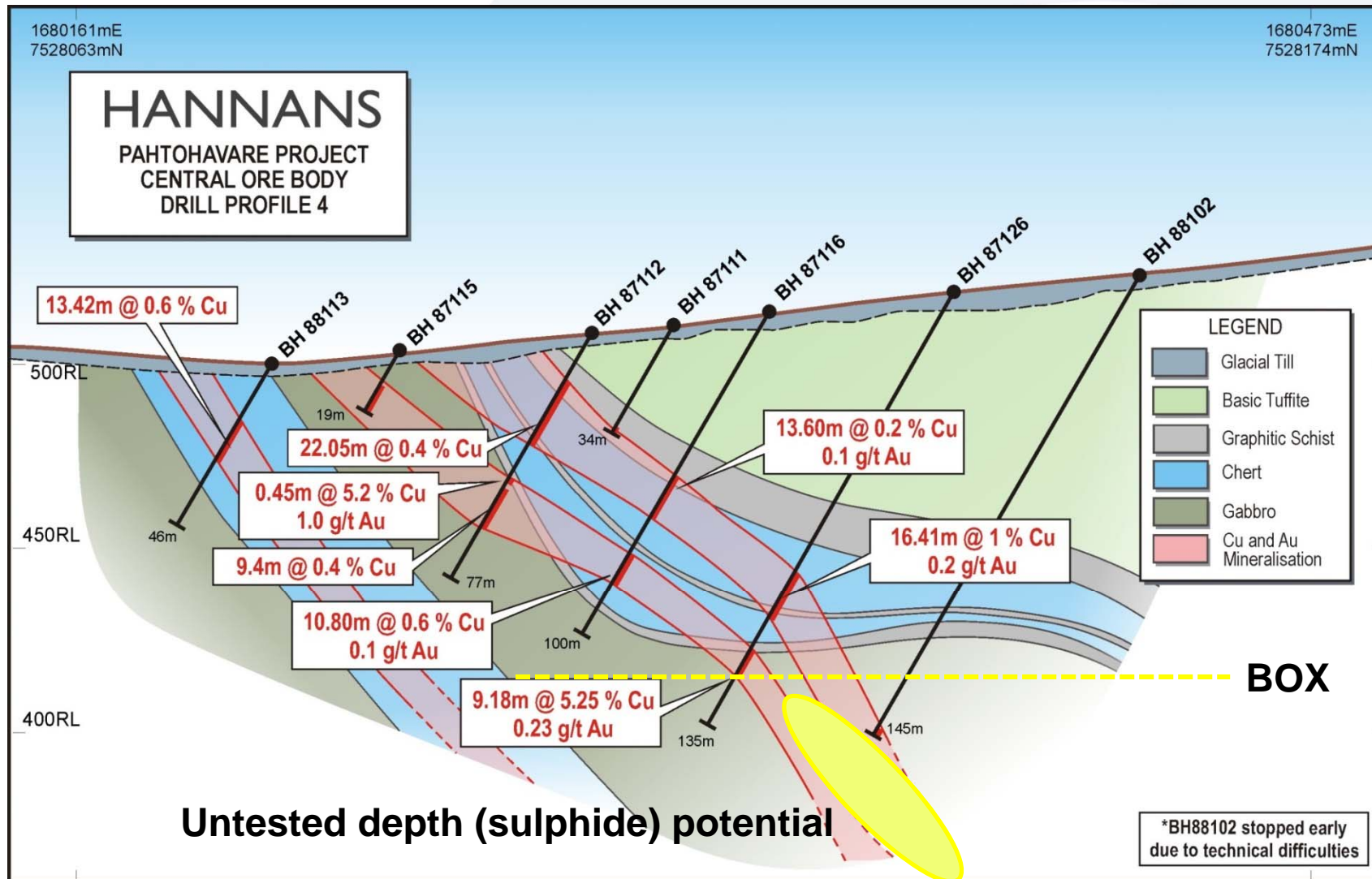
# PAHTOHAVARE



Drill ready copper sulphide targets beneath current high-grade copper sulphide mineralisation at Southern

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# PAHTOHAVARE



Drill ready copper sulphide targets beneath currently defined oxide copper mineralisation at Central

# RAKKURI

## Rakkurijoki

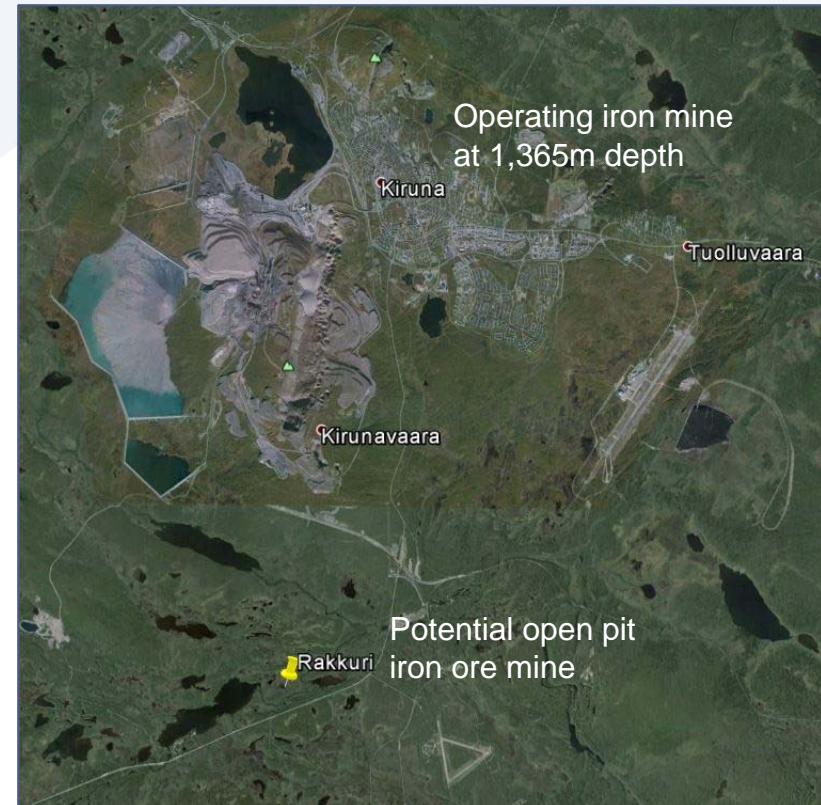
- ∂ Current JORC Inferred resource of 74.5Mt @ 39.7% Fe (down to 350m) - mineralisation currently open at a depth of >400m - positive scoping study completed in February 2013

## Rakkurijärvi

- ∂ Current JORC Inferred resource of 69.6Mt @ 28.5% Fe (drill spacing to 150m) - mineralisation currently open at a depth of ~150-300m; additional resource drilling required

## Rakkuri (Combined)

- ∂ Ore upgrades to +68% Fe product (DTR-analysis) & requires flotation of sulphides
- ∂ Excellent location for mining - 4km from Kiruna, ~1km from open access, heavy gauge rail, 250m from the road
- ∂ Area of national interest for mining & reindeer herding
- ∂ Potential for a 15 year open pit mining operation



# LANNAVAARA

- ∂ Potential to be a large, long-life (+25 year) project; at the conceptual stage
- ∂ Proven high iron content product (+69% Fe) & requires flotation of sulphides.
- ∂ Low sovereign risk jurisdictions (Sweden, Finland and Norway).
- ∂ Strong interest in development of new infrastructure in northern Finland & Norway
- ∂ Completed initial consultations with stakeholders in three countries
- ∂ Completed study into technical feasibility of natural gas and slurry pipeline – positive
- ∂ Planned study into environmental approvals and social licenses to operate
- ∂ Planned study into supplying natural gas into Lapland





# LAKE JOHNSTON

- ∂ Initial drill testing of highly prospective nickel sulphide targets completed in November 2014, assays pending
- ∂ Nickel targets located adjacent to Poseidon Nickel Limited's (ASX:POS) Lake Johnston Project (acquisition completed 13 November 2014)
- ∂ Hannans' 20% interest free carried by Reed Resources Ltd (ASX:RDR) through to a Decision to Mine
- ∂ Hannans has leverage to exploration success and project consolidation



# CONTACT DETAILS

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Mindy Ku, Finance & Compliance Manager, +61893243388

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# COMPLIANCE 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 Mineral Resource and Exploration Target Estimates for Pahtohavare is extracted from the report entitled “Re-Release of Maiden JORC Resource at Pahtohavare To Comply With JORC” created on 31 January 2014 and is available to view on the Company’s website ([www.hannansreward.com](http://www.hannansreward.com)). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and in the case 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.

The information in this document that relates to Mineral Resource Estimates for Rakkurijoki and Rakkurijärvi is extracted from the report entitled “Kiruna Iron Project JORC Resource Update” created on 17 January 2012 and is available to view on the Company’s website ([www.hannansreward.com](http://www.hannansreward.com)). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and in the case 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.