HANNANS

REWARD LIMITED

ANNUAL REPORT | 2015

ABN: 52 099 862 129

ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

CORPORATE DIRECTORY

BOARD OF DIRECTORS

MANAGING DIRECTOR
Mr Damian Hicks

NON-EXECUTIVE DIRECTOR
Mr Jonathan Murray

NON-EXECUTIVE DIRECTOR
Mr Markus Bachmann

NON-EXECUTIVE DIRECTOR
Mr Olof Forslund

COMPANY SECRETARY
Mr Ian Gregory

ABN 52 099 862 129

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SHARE REGISTRY
Computershare
Level 11, 172 St George's Terrace
Perth, Western Australian 6000

Telephone	1300 787 272
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AUDITORS
Ernst & Young
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Level 4, The Read Buildings
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Perth, Western Australia 6000

DIRECTORS' REPORT

The Directors of Hannans Reward Ltd (Hannans or the Company) submit their annual financial report of the Group being the Company and its controlled entities for the financial year ended 30 June 2015.

Dear Shareholders,

Hannans has made significant progress during the last twelve months despite it being an extremely difficult period for resource companies.

The two main highlights include:

- Building a relationship with the Executive Management team at Lovisagruvan AB, a profitable Swedish base metals mining company which culminated in the formation of a joint venture over the Pahtohavare Copper-Gold Project near Kiruna in Sweden; and
- Intercepting very high copper-gold-silver values at the Pahtohavare Project in our inaugural joint venture diamond drilling campaign with Lovisagruvan AB including 4m @ 23.26% Cu, 3.62g/t Au and 43.03g/t Ag from 47.5m[1].

The next key milestone for the Pahtohavare Project Joint Venture will be a decision by Lovisagruvan AB whether they will proceed to Stage 2 of the JV; a decision is expected during October 2015. The Pahtohavare Project currently represents the best chance for shareholders to own part of a production asset.

Other notable highlights during the year include:

- Developing the concept and obtaining granted permits over the high potential Lapland Nickel-Copper-PGE Project in north eastern Sweden;
- Completing concept development and stakeholder engagement for the potentially large Lannavaara Iron Project in north eastern Sweden;
- Testing the Lake Johnston Nickel project with a diamond drill program via our joint venture with NeoMetals Ltd (ASX: NMT);
- Selling gold rights on a West Australian mining lease;
- Selling the Western Australian exploration database; and
- Completing the first phase of test work on a geophysical solution using ultralight aircraft.

We will continue the search for joint venture partners for our Swedish projects to ensure they continue to be advanced without the requirement to fund exploration. It may be through the success of our joint venture partners' activities that Hannans shareholders will ultimately be rewarded.

We are hopeful that the Discovery Zone exploitation concession application will be granted within the next six months[2]. The timing of the decision rests with the provision of information by Avalon Minerals Ltd (ASX:AVI) and the County Administration Board to the Mining Inspectorate of Sweden and the adjudication of the Mining Inspector. Decisions of the Mining Inspector are subject to Appeal to the Swedish Government so a final decision may still be some time away. If the exploitation concession is granted, Avalon is required to make a payment to Hannans of $3 million.

We are also working to sell Hannans remaining assets to protect shareholders from the need to raise capital via an equity issue. If we are unable to secure funds from assets sales in the short term we will have no option but to ask shareholders to participate in a capital raising. The last time the Company raised capital was April 2013.

I would like to thank Markus Bachmann, Olof Forslund, Jonathan Murray and Ian Gregory for the support they have shown me via their active participation as Non-Executive Directors and Company Secretary. I note that the Non-Executive Directors have not received any cash remuneration since early 2014 and the Company Secretary since mid 2006. I would particularly like to acknowledge and thank my Executive Management Team comprising Amanda Scott (Exploration Manager) and Mindy Ku (Finance & Compliance Manager) for their professionalism, commitment and support during a very challenging twelve months.

We foresee another difficult year ahead but we are determined to work through the issues to capitalise on exploration success and opportunities that may present themselves in the future. We are also continuing to evaluate corporate opportunities that may benefit shareholders.

If you have any questions in relation to Hannans or its activities please don't hesitate to visit www.hannansreward.com, follow us on Twitter (@hannansreward), visit us on FaceBook (Hannans Reward), stay updated on LinkedIn (Hannans Reward) or contact me. To keep abreast of what is happening in the resources sector in Sweden follow Explore Sweden on Twitter (@exploresweden).

Best regards,

Damian Hicks
Managing Director

[1] Refer ASX release dated 27 August 2015.
[2] If the exploitation concession is not granted or the agreement is not extended by 8 October 2015 Hannans will be required to repay $1m or provide Avalon with an exploration project to the value of $1m.

STRATEGIC PLAN

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 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 by managing our people, projects and capital in an entrepreneurial and responsible manner.

GOALS

People	1.	To attract and retain a professional, knowledgeable and ethical team of experts whilst empowering staff at all levels.
	2.	To continually build an understanding of our strategic partners' needs and wants and thereafter conduct business in a fair, transparent and ethical manner.
Projects	1.	To access prospective natural resource exploration opportunities both in Sweden and Australia.
	2.	To implement an effective acquisition program that secures access to prospects with the potential to host significant natural resource deposits.
	3.	To add value by identifying, accessing and exploring prospects that have potential to host significant deposits and then seek partners to diversify project risk.
	4.	To retain a financial interest in prospects but not necessarily an operational responsibility.
	5.	To conduct our affairs in a responsible manner taking into account various stakeholder rights and belief.
Capital	1.	To create shareholder wealth as measured by the potential of our prospects, the strength of our balance sheet and share price.
	2.	To maintain sufficient funding and working capital to implement exploration programs through the peaks and troughs in exploration sentiment and commodity prices fluctuations.

Ultimately, Hannans is aiming to identify a world-class gold, copper, nickel or iron deposit.

Successful implementation of the strategic plan would see Hannans develop a portfolio of projects in which it is sole funding exploration, contributing funding to maintain a joint venture interest, holding a free carried interest, royalty interest and or an equity interest in the company that owns the project.

The ability to implement the strategic plan is determined by Hannans ability to access funding. Hannans needs to continually fund the development of its project pipeline through equity raisings, project sales, joint venture expenditure and royalties.

OPERATIONAL AND FINANCIAL REVIEW

Board of Directors & Executive Management

The Boards of the parent company and the subsidiary companies remained unchanged throughout the year.

The Executive Management Team comprises Damian Hicks (Managing Director), Amanda Scott (Exploration Manager) and Mindy Ku (Finance & Compliance Manager). The Team is supported on a part time basis by Pernilla Renberg (Office Administrator). Mr Hicks and Mrs Ku are based in Perth, Australia while Ms Scott and Ms Renberg are based in Malå, Sweden. Mr Hicks returned to Perth in March 2015 after a period of two years residing in Malå, Sweden.

Projects – Generation, Exploration, Development and Divestment

During the year Hannans has focused its exploration efforts on the Pahtohavare Cu-Au Project and the Lapland Ni-Cu-PGE Project, both located in northern Sweden.

In prior years Hannans invested significantly in its iron ore portfolio – Rakkuri and Lannavaara both located in northern Sweden – however due to the depressed iron ore price very limited work was completed on these projects during 2015.

Hannans sold its Western Australia exploration database during 2015 and in consideration received a free-carried interest in tenements applied for and granted in Western Australia that were generated from accessing information in the database.

Hannans continues to pursue the goals of accessing bedrock geological, geochemical and geophysical data (relatively) quickly and cost effectively in Sweden by developing a new drill rig customised to local conditions and co-developing an ultralight aircraft solution for magnetic geophysical surveys. Hannans believes that having access to this field equipment will greatly improve the cost effectiveness of our exploration activities and improve the prospects of exploration discovery.

The following is a chronological summary of the main Generation, Exploration, Development and Divestment[3] events that occurred during the 2014/2015 financial year:

1 July 2014

- Lannavaara Iron Project
  Hannans commenced stakeholder consultations in Norway, Sweden and Finland in relation to the Lannavaara Iron Project. An analysis of storage, unloading/reloading and port solution was completed and requests for tenders for analysis of a rail and port solution was distributed. An expression of interest for port space in Skibotn, Norway was also lodged.

8 July 2014

- Lannavaara Iron Project
  Hannans released a presentation titled, "Lannavaara Iron Project".

1 September 2014

- Rakkuri Iron Project
  Hannans received the second of two USD500,000 instalment payments from a Third Party for the exclusive right to complete due diligence on the Rakkuri Iron Project. Hannans also agreed to extend the due diligence through to October 2014.

14 September 2014

- Pahtohavare Cu-Au Project
  A bulk sample and core sample was dispatched to Canada for copper-gold metallurgical test work from the Central Oxide deposit at the Pahtohavare Cu-Au Project. It was also determined that there was potential for significant additional copper-gold oxide ore within the existing JORC resource pit shell and along strike of existing orebody. Primary copper mineralisation was also confirmed beneath the oxide zone.

19 September 2014

- Lannavaara Iron Project
  A pipeline study contract was awarded to Ausenco to consider a solution for the transportation of magnetite concentrate and natural gas from the Lannavaara Iron Project to the proposed port site in Skibotn, Norway.

3 Refer to ASX release made on the relevant date indicated in the table

Projects – Generation, Exploration, Development and Divestment (cont'd)

20 October 2014

- Lake Johnston Nickel Project
  Diamond drill testing of nickel sulphide targets commenced at Lake Johnston, Western Australia.
  The program was planned and managed by Neometals Ltd (ASX:NMT) and Hannans' interest was free-carried.

5 November 2014

- Lannavaara Iron Project
  The Lannavaara Iron Project iron concentrate and natural gas pipeline study was completed.
  The pipeline system identified by Ausenco was determined to be well within the envelope of proven technology and existing commercial experience.

20 January 2015

- Lake Johnston Nickel Project
  Drill testing of two highly prospective nickel sulphide targets at Lake Johnston was completed.
  Drilling confirmed the geological environment was conducive for hosting economic nickel mineralisation.
  Anomalous nickel mineralisation was intercepted in one hole.

21 January 2015

- Pahtohavare Cu-Au Project
  Stage 1 metallurgical testwork was completed on copper oxide material from the Central deposit at the Pahtohavare Project. Testwork confirmed high recoverability of copper from oxide ore.

22 January 2015

- Lapland Ni-Cu-PGE Project
  Hannans secured an extremely significant greenfields exploration project in Sweden whereby having first mover advantage has enabled the Company to cover the most prospective targets with 100% owned permit applications.
  The Project is considered to have high potential for economic nickel-copper-platinum group elements and gold.
  Hannans released a presentation titled, "Major New Ni-Cu-PGE Project".

2 February 2015

- Lapland Ni-Cu-PGE Project
  Hannans released a presentation titled, "An Introduction to Hannans and the New Lapland Ni-Cu-PGE Project in Sweden".

19 February 2015

- Lake Johnston Nickel Project
  Joint venture partner Neometals Ltd (ASX:NMT) announced anomalous nickel mineralisation was intercepted in the second hole of the drilling program at the Lake Johnston Project.

12 March 2015

- North Ironcap Gold Rights
  Hannans announced it had sold its interest in gold rights on a mining lease in Western Australia for $800,000.

14 May 2015

- Pahtohavare Cu-Au Project
  Lovisagruvan AB commenced Stage 2 metallurgical test work on the Central deposit at the Pahtohavare Copper-Gold Joint Venture in Sweden. Tests were being designed to assess the amenability of the copper ore to be recovered via traditional agitated leaching and continuous vat leaching, as well as the ability to recover copper and gold, and the level of reagent consumption.

Projects – Generation, Exploration, Development and Divestment (cont'd)

Subsequent to the end of the financial year the following events occurred:

2 July 2015

- Exploration Database
  Hannans sold its West Australian database to Neometals Ltd (ASX:NMT) in consideration for a 20% interest in tenements, free carried through to a Decision to Mine. The transaction enables Hannans to remain exposed to exploration activities in Western Australia without any requirement to fund exploration.

6 July 2015

- Pahtohavare Cu-Au Project
  Drilling of shallow high grade copper-gold targets commenced at Pahtohavare in Sweden. The aim of the drilling was to test the continuity of the shallow copper-gold mineralisation at the Central deposit and collect additional material for the third phase of metallurgical test work. The exploration costs were funded by joint venture partner Lovisagruvan AB.

13 July 2015

- Lapland Ni-Cu-PGE Project
  All permits comprising the Lapland Ni-Cu-PGE Project were granted and reconnaissance mapping and sampling commenced. Hannans announced that it was searching for a joint venture partner for the Lapland Project.

27 August 2015

- Pahtohavare Cu-Au Project
- Bonanza grade copper assay results were received from diamond drilling at the Central deposit. Assay highlights included 4m @ 23.26% Cu, 3.62 g/t Au and 43.03 g/t Ag from 47.5m.

Exploration Expenditure

In line with the Group's accounting policy, Hannans expensed $387,160 on mineral exploration activities in 2015 (2014: $534,311) relating to its non-JORC compliant mineral resource projects and capitalised $161,630 (2014: $577,164) of expenditure in connection with the Rakkuri Iron Project and Pahtohavare Copper-Gold Project both of which have JORC compliant mineral resources. This excludes all administration and transaction costs. Due to the significant deterioration in the prices of bulk commodities and base metals Hannans resolved to impair $28,275,372 of capitalised Exploration & Evaluation expenditure in 2015 (2014:Nil).

Mineral Exploration Activities Expensed in 2015	$	%
Geological activities	197,423	36.1%
Geochemical activities	8,421	1.5%
Geophysical activities	7,535	1.4%
Drilling	2,719	0.5%
Field supplies	2,101	0.4%
Field camp and travel	14,348	2.6%
Drafting activities	811	0.1%
Feasibility Studies	62,584	11.4%
Annual tenement rent	139,919	25.5%
Annual tenement rates	(486)	(0.1)%
Tenement administration	36,907	6.7%
Tenement application fees	76,508	13.9%
TOTAL MINERAL EXPLORATION ACTIVITIES	548,790	100%
-) Capitalised expenses	(161,630)	
Total expensed	387,160	

Project	Exploration Expensed $	%
Australia	7,600	2%
Sweden	541,190	98%
TOTAL MINERAL EXPLORATION ACTIVITIES	548,790	100%
-) Capitalised expenses	(161,630)	
Total	387,160	

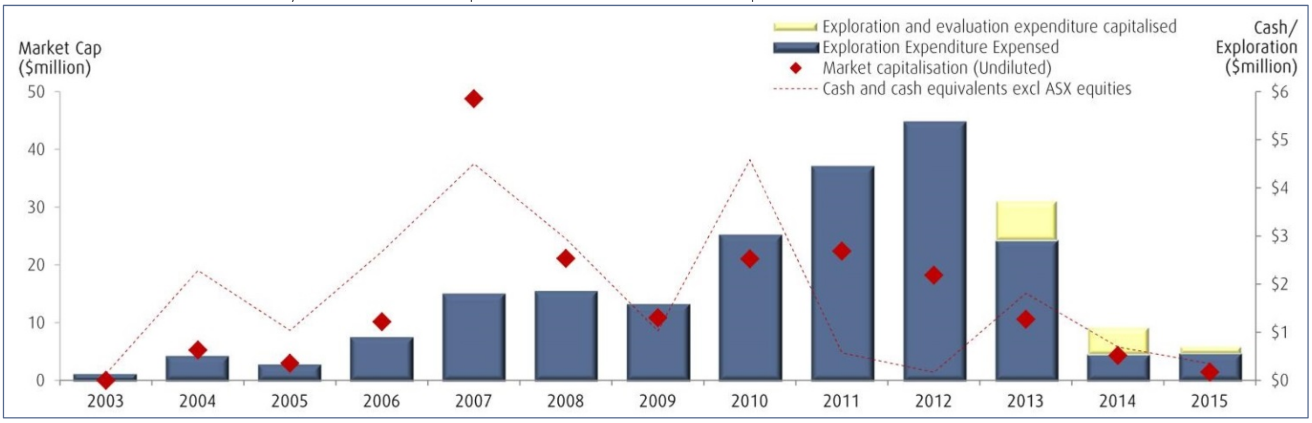
Corporate

In December 2014 test work completed by an unnamed Third Party as part of a due diligence process confirmed the validity of the Rakkuri Iron Project data. The exclusive right granted to the Third Party however ended without an agreement being reached. From the time the original agreement was signed (February 2014) to the termination of the agreement (December 2014) the iron ore fines price had fallen from USD120/tonne to USD60/tonne, a drop of 50%. It is clear that the rapid fall in the iron price negatively impacted the proposed transaction.

On 27 March 2015 Hannans announced it had entered into a joint venture with Swedish mining company Lovisagruvan AB over the Pahtohavare Copper-Gold Project. Lovisagruvan's Swedish management is very experienced in all mining related disciplines including finance, sales, operations, exploration and permitting. The company has a history of profitable production of zinc and lead from its underground mine located in Bergslagen, southern Sweden. At the current rate of extraction (ca. 40,000 tonnes per year) the remaining mine life is estimated to be 15 years. The zinc and lead ore is concentrated and processed at Boliden's facility at Garpenberg. In recent years Lovisagruvan AB shareholders have received an excellent return on capital through share price appreciation and dividend payments. Lovisagruvan AB shares are traded on the Swedish stock exchange AktieTorget. Lovisagruvan AB will focus on assessing the potential to mine high grade close to surface copper ore with a secondary focus on exploring for high grade copper ore at depth. If Lovisagruvan meets their commitments and elect to remain in the joint venture Hannans will retain a 25% free carried interest in Pahtohavare through to a Decision to Mine.

On 6 May 2013 Hannans announced it had sold its Discovery Zone exploitation concession application to Avalon Minerals Ltd (ASX: AVI). During the last 28 months Avalon has been working to complete an updated exploitation concession application and social impact assessment as required by Swedish law. It is anticipated that all of Avalon's final submissions will be lodged with the Mining Inspectorate of Sweden during September 2015 with a decision prior to the end of 2015. If the exploitation concession is granted, Avalon will make a final payment of $3M to Hannans. If the application is not granted however Hannans will need to either repay $1M to Avalon or provide Avalon with an exploration project to the value of $1M. Either party may bring the Heads of Agreement to an end on or after 8 October 2015 unless extended by mutual agreement.

During the June Quarter 2015 Boliden AB (STO:BOL) and Tasman Metals Inc (TSX.V:TSM) agreed to end their respective iron ore exploration joint venture agreements with Hannans. The joint venture projects were considered unlikely to provide shareholders with an adequate return on investment in the current iron ore price environment and Hannans did not have the financial resources to maintain them in the short-medium term. Hannans developed a very good working relationship with both Boliden and Tasman Metals as a result of the joint ventures and looks forward to working with both companies again in the future.



Compliance

The following is a chronological list of compliance lodgements made during the 2014/2015 financial year.

31 July 2014	4th Quarter Cash Flow & Activities Report
5 September 2014	Annual Report 2014
20 October 2014	Notice of Annual General Meeting
31 October 2014	1st Quarter Cash Flow & Activities Report
20 November 2014	Annual General Meeting was held and all resolutions passed
5 December 2014	Updated Capital Structure
30 January 2015	2nd Quarter Cash Flow & Activities Report
16 March 2015	Half Year Report
30 April 2015	3rd Quarter Cash Flow & Activities Report

Subsequent to the end of the financial year the following compliance document was lodged:

31 July 2015	4th Quarter Cash Flow & Activities Report

Goals 2015 – Scorecard

At Hannans' Annual General Meeting held on 20 November 2014 the Company identified its Goals for 2015. The table below highlights the Company's achievements relative to those stated Goals:

Project / Division	Stated Goal AGM 2014	Outcome to Date
Pahtohavare Copper Project	Intersect copper sulphide mineralisation beneath existing Southern and Central deposits & identify new mineralisation between Southern and Central deposits Complete scoping study on copper oxide ore	On 27 March 2015 Hannans announced a joint venture with Swedish mining company Lovisagruvan AB (LOVI). LOVI have completed an eight hole diamond drill program and the initial assays included bonanza grade copper-gold-silver. LOVI have a focus on the shallow copper-gold ore and will decide whether to proceed to Stage 2 of the Joint Venture in October 2015.
Rakkuri Iron Project	Realise / protect the value of Rakkuri	The proposed sale of the Rakkuri transaction to the unnamed Third Party was terminated in December 2014 following a 50% decline in the iron ore price during 2014. Subject to funding, Hannans plans to lodge exploitation concession applications for Rakkuri prior to expiry of the permits.
Lannavaara Iron Project	Continue scoping study	Due to the decline in the iron price and the difficult equity markets Hannans has not spent funds on Lannavaara during calendar 2015. This is a significant project and Hannans will continue to advance it when possible.
Lake Johnston Nickel Project (Joint Venture)	Monitor progress	Hannans joint venture partner Neometals Ltd (ASX:NMT) (previously called Reed Resources Ltd) announced anomalous nickel mineralisation from two core holes drilled in 2014.
R&D	Test airborne geophysical system & geochemical drill system in an attempt to reduce the costs of exploring through the glacial moraine	Memorandums of Understanding were signed with strategic partners during 2014 who agreed to work collaboratively on developing a geophysical solution using ultralight aircraft. Tests were conducted on an ultralight in Europe during the year and designs have been prepared for fabrication of brackets to carry magnetic sensors. Subject to funding, brackets will be manufactured and permits obtained for airborne test flights using state-of-the-art sensor equipment. Making progress developing the geochemical drill rig has proved more problematic due to the high cost of drill rigs and the lack of 'buy in' from Swedish drilling companies. Subject to funding, Hannans will continue developing this concept as we believe this is a key tool in minerals exploration in Scandinavia.
Corporate	Consider corporate actions /project acquisitions and divestments that have potential to improve shareholder returns	Hannans sold its West Australian exploration database to Neometals Ltd (ASX:NMT) in consideration for an interest in tenements, free-carried through to Decision to Mine. The transaction enables Hannans to remain exposed to exploration activities without any requirement to fund exploration. Following completion of this transaction Hannans has no ongoing exploration project funding commitments in Western Australia. Hannans sold gold rights on a granted mining lease in Western Australia.
	Receive $3M from Avalon Resources Ltd (ASX:AVI) (subject to grant of mining lease	The Mining Inspectorate of Sweden has not made a decision in relation to the Discovery Zone exploitation concession application however a decision is expected prior to the end of 2015. It is Hannans understanding that Avalon Resources is required to lodge additional documentation prior to the Mining Inspectorate being in a position to make a decision.
	Limit equity issues (if any)	Hannans has not issued any equity since April 2013.

Primary and secondary copper mineralisation in drill core from the Central deposit at the Pahtohavare Cu-Au Project as seen through the hand-lens in August 2015.

KEY PROJECTS

Pahtohavare Copper-Gold Project

The Pahtohavare project is located 8km south-west of Kiruna, a full-service mining town in Norrbotten County, northern Sweden. The project is also very well positioned with regard to major infrastructure; including sealed roads, power and open-access railway.

Pahtohavare provides Shareholders with a unique investment opportunity – a high grade copper-gold project located close to modern infrastructure and first class mining services, in a low sovereign risk, mining friendly country. This project currently represents Hannans best opportunity to own part of a producing copper mine. In March 2015 Hannans entered into a joint venture with Swedish mining company Lovisagruvan AB (LOVI). The LOVI Management Team comprises very experienced mining professionals and they have the capital to advance the Pahtohavare Project much faster than Hannans. LOVI completed their first diamond drilling campaign in August 2015 during which they intersected bonanza grade copper.

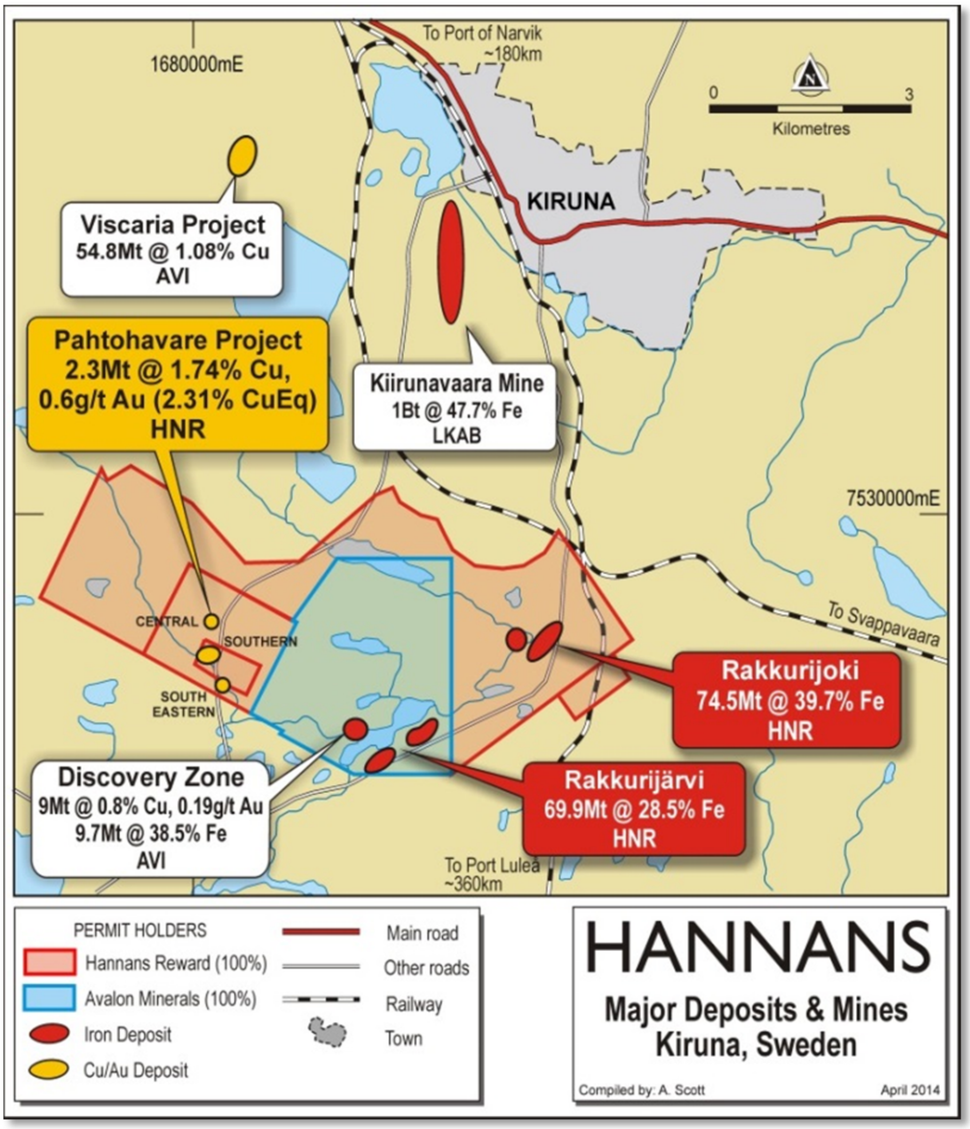


Figure 1. Location of the Pahtohavare Copper-Gold Project, northern Sweden.

The Pahtohavare Project has:

- Proven high grade copper-gold mineralisation at surface and depth.
- Underground development in place at Southern and South-Eastern.
- The benefit of being within a previously mined industrial site and within an Area of National Interest for Mining.
- Potential to increase scope of shallow copper-gold mineralisation at Central.
- Potential to process high grade copper mineralisation close to surface (from surface to ~100m).
- Potential to confirm ore grade copper mineralisation beneath Southern.
- Multiple geophysical targets (including FLEM and Slingram anomalies) remaining to be tested.
- Multiple geochemical targets (from historic bottom of till samples) requiring follow up.
- Multiple geological targets (including depth and strike extensions) requiring investigation.

Pahtohavare Copper-Gold Project (cont'd)

PROJECT HISTORY

Copper mineralisation was first discovered at Pahtohavare in 1984 by the state-owned exploration company Swedish Geological AB and later mined by Finnish mining company, Outokumpu in 1984. The Pahtohavare Project is currently comprised of three separate deposits and areas of mineralisation namely:

- Central deposit (oxide, carbonate and sulphide ore);
- Southern deposit (sulphide ore);
- South-Eastern deposit (sulphide ore); and the
- Eastern Zone mineralisation.

Following the discovery, production took place between 1989 and 1996 where Outokumpu mined a total of 1.7Mt @ 1.9% Cu and 0.9g/t Au from the Southern and South-Eastern deposits through open-cut and underground mining.

Ore mined from Pahtohavare provided satellite feed to Outokumpu's processing facility at the Viscaria Copper Mine (located <10km to the north of Pahtohavare). The Viscaria Mine operated between1982 to 1996. Operations ceased due to the low copper price at the time (cA$1.00/lb) and a strategic decision by Outokumpu to exit most of its mining operations and move into downstream mineral processing.

Hannans acquired the Pahtohavare permits from Anglo American Exploration BV and Rio Tinto Mining & Exploration Ltd as part of a broader package of tenements prospective for iron, copper and gold in 2010. A broad technical review of the permits was conducted late in 2012 which identified the significant potential for additional Cu-Au mineralisation at Pahtohavare.

PROJECT GEOLOGY

The Pahtohavare deposits have been classified as epigenetic copper-gold deposits hosted in Proterozoic aged, Kiruna Greenstone Group rocks comprised of basic lavas and intrusions, basic tuffs and tuffites and acid volcanics. Locally, the majority of mineralisation is hosted in a hydrothermally-altered package of albite-silica altered felsite, mafic tuff, graphitic shale and gabbros.

At Central the mineralisation is oxidised to an approximate depth of 100m whereas at Southern and South Eastern the mineralisation is fresh sulphide mineralisation, namely chalcopyrite. Spatially the three deposits are located on the limbs and in the hinge position of a kilometre-scale antiform.

RECENT ACTIVITIES

In 2014/2015 two phases of metallurgical testwork were completed on the copper-gold ore from the Central deposit. The tests were designed to assess the amenability of the copper ore to be recovered via traditional agitated leaching and continuous vat leaching, as well as the ability to recover copper and gold, and the level of reagent consumption.

A review of the JORC pit shell for the central deposit determined that there is potential for significant additional copper-gold oxide ore within the existing JORC resource and along strike of existing Central orebody.

Diamond drilling of shallow high grade copper-gold targets commenced at Pahtohavare in July 2015. The aim of the drilling was to test the continuity of the shallow copper-gold mineralisation at the Central deposit and collect additional material for a third phase of metallurgical test work. Initial assay results from drillhole PADH15005 were outstanding and included[4]:

PADH15005

- 14.2m @ 9.60% Cu, 2.43g/t Au, 16.98g/t Ag from 40.0m
  Inc. 4m @ 23.26% Cu, 3.62g/t Au, 43.03g/t Ag from 47.5m
- 14m @ 2.03% Cu, 0.53g/t Au, 4.07g/t Ag from 7.2m
  Inc. 3m @ 3.58% Cu, 1.02g/t Au, 8.47g/t Ag from 10.8m

Note that all widths are downhole as true widths are not currently known. The assay results confirm PADH15005 intercepted wide copper-gold-silver mineralisation, using a 0.1% Cu cut-off, to give an intercept of:

53m @ 3.36%Cu, 0.89g/t Au, 6.24g/t Ag from 5.2m

Please refer to the Company's Website (www.hannansreward.com) for ASX announcements pertaining to the results listed above.

PLANNED ACTIVITIES

The Pahtohavare Project is now managed and funded by Lovisagruvan AB (LOVI). LOVI is waiting to obtain a final report summarising the outcomes of the diamond drill campaign completed during August 2015 and the second phase of metallurgical testwork before deciding whether to proceed to Stage 2 of the Joint Venture. A decision from LOVI is expected during October 2015.

JORC RESOURCE ESTIMATE

Pahtohavare has a JORC Inferred Mineral Resource of 2.3Mt @ 1.74% Cu, 0.6g/t Au, 2.31% CuEq and a JORC Exploration Target of 2 – 4 Mt @ 0.3 – 0.7% Cu. For further information please refer to www.hannansreward.com and the Annual Resource Statements on page 16.

[4] Refer ASX release dated 27 August 2015

Lapland (Cu-Ni-PGE) Project

The Lapland Project is located approximately 1,500km north of Stockholm in northern Sweden and abuts the Finnish border to the east.

Hannans identified the Lapland Project in late 2014 as having the potential to host nickel-copper-platinum group elements and gold mineralisation.

Thereafter Hannans secured first mover advantage in this potential new magmatic province. The Company considers it rare to find such an unexplored project in a low sovereign risk country. Hannans believes the Lapland Ni-Cu-PGE Project is located in Sweden's equivalent of the Fraser Range province in Western Australia because it has a coincident regional scale magnetic-gravity feature and multiple intrusives located on the edge of a craton margin. Several permits cover the spine of the regional gravity feature. Consistent with its strategy, Hannans is searching for a world class partner to joint venture into this significant project.

The compelling attributes of the Lapland Project are/is the:

- First mover advantage in the region.
- Regional scale gravity high.
- Mafic-ultramafic intrusive rocks within highly metamorphosed terrain.
- Located in close proximity to the Botnia-Pajala megashear and the interpreted Norrbotten and Karelian Craton margin.
- Potential for major deep-seated mafic intrusive complex identified.
- Exploration targets have high ore potential.
- Gabbro lithologies (at least two types) confirmed in outcrop mapping by SGU.
- Regional till geochemistry anomalies (Cu, Ni).
- Confirmed (microscopy) pentlandite mineralisation from outcropping, olivine-rich gabbro.

Lapland Project Location

GEOLOGY

The regional scale gravity feature known as the MGH (40-50mgal) located in north-eastern Sweden may represent a potential new magmatic province. If the regional scale gravity feature does represent a major deep-seated mafic intrusive complex this could represent a source of metal bearing fluids. Younger intrusions – represented at surface by several, outcropping ring dyke complexes and traditional mafic to ultramafic intrusives – may be the pathways for fluid moving from the large deep source towards the surface.

Dr Jon Hronsky (an independent consultant from Western Mining Services) has reviewed the project in the context of his broader understanding of the controls on nickel sulphide mineralisation and Fennoscandian geology. Dr Hronsky said, "The idea that the MGH represents a major deep-seated mafic intrusive complex is almost certainly valid and is therefore a site of inherent prospectivity. The regional scale gravity feature can be considered as the signature of a "hot-spot". The MGH is very similar to the large-scale gravity anomaly regionally associated with both the West Musgrave and East Kimberley nickel sulphide provinces in Western Australia. It may be associated with a mantle plume but might equally represent a major favourable tectonic intersection that has received multiple pulses of magma over a protracted time (i.e. the current model for West Musgrave). Such locations are prospective for magmatic Ni-Cu-PGE (nickel-copper-platinum group elements) sulphide mineralisation as well as potentially hydrothermal Au (gold) and Cu (copper) mineralisation."

The Lapland Project is also considered highly prospective for IOCG mineralisation; the Norrbotten region of northern Sweden is a known IOCG district and is host to the nearby Kiruna-type IOCG deposits (Kiirunavaara, Malmberget, Aitik, Tjårrojåkka, Narken). The Norrbotten district is typified by a regional sodic (scapolite, albite) and later K-feldspar alteration and widespread magnetite, hematite and copper-gold mineralisation.

Regional copper and REE bottom-till geochemistry anomalism is located in the vicinity of the MGH. Locally, hematite boulders have been identified at Ahmakero with iron grades of >40% Fe and anomalous copper grades (>800ppm). In addition, there are multiple co-incident magnetic-gravity anomalies located in the vicinity of the MGH and there is evidence of both mafic and felsic intrusives.

Lapland (Cu-Ni-PGE) Project (cont'd)

RECENT ACTIVITIES

Hannans completed a first-pass field reconnaissance of the intrusives during the 2015 summer field season. The purpose of the field trip was to meet with local stakeholders to introduce the Company and the project, as well as locate historic bedrock ultramafic samples that returned highly anomalous Ni values with visible pentlandite and pyrrhotite. Thin section analysis will also be undertaken of the samples that have been collected.

PLANNED ACTIVITIES

The Lapland Ni-Cu-PGE Project work plan for the next twelve months includes additional stakeholder engagement, desktop environmental assessments, geophysical surveys (in-fill airborne gravity and electromagnetic surveys) and bedrock drilling of the intrusives. These activities will improve the Company's understanding of the social, environmental and geotechnical characteristics of the Lapland Project.

For further information please refer to www.hannansreward.com and the Annual Resource Statements on page 16.

Figure 1. Amanda Scott (Hannans Exploration Manager), Jonas Mäkikaltio (Consultant) and Arwen overlooking the outcropping granite at the Lumivaara prospect.

Rakkuri Iron Project

Rakkuri comprises two magnetite deposits (Rakkurijoki and Rakkurijärvi) located 5km from the world's largest and most modern underground iron mine (Kiirunavaara, owned by LKAB) and the mining town called Kiruna, approximately 1,200kms north of Stockholm, Sweden.

The Rakkuri Iron Project is extremely well located within close proximity to key project infrastructure including:

- power (overhead);
- roads (less than 250m);
- heavy gauge rail (less than 1km); and
- heavy gauge rail connects to two modern iron ore export ports (Narvik, Norway & Luleå, Sweden).

A positive scoping study assessing the viability of a stand-alone, open-pit mining operation at the Rakkurijoki iron deposit was completed in February 2013. The study found the Rakkurijoki deposit has the potential to supply iron product over a 12 year mine life, at a premium price, to the European and the Middle East North African (MENA) markets. With the scoping study now completed, Hannans is actively searching for a joint venture partner to fund the project through the remaining feasibility and resource drilling phases up to a decision to mine.

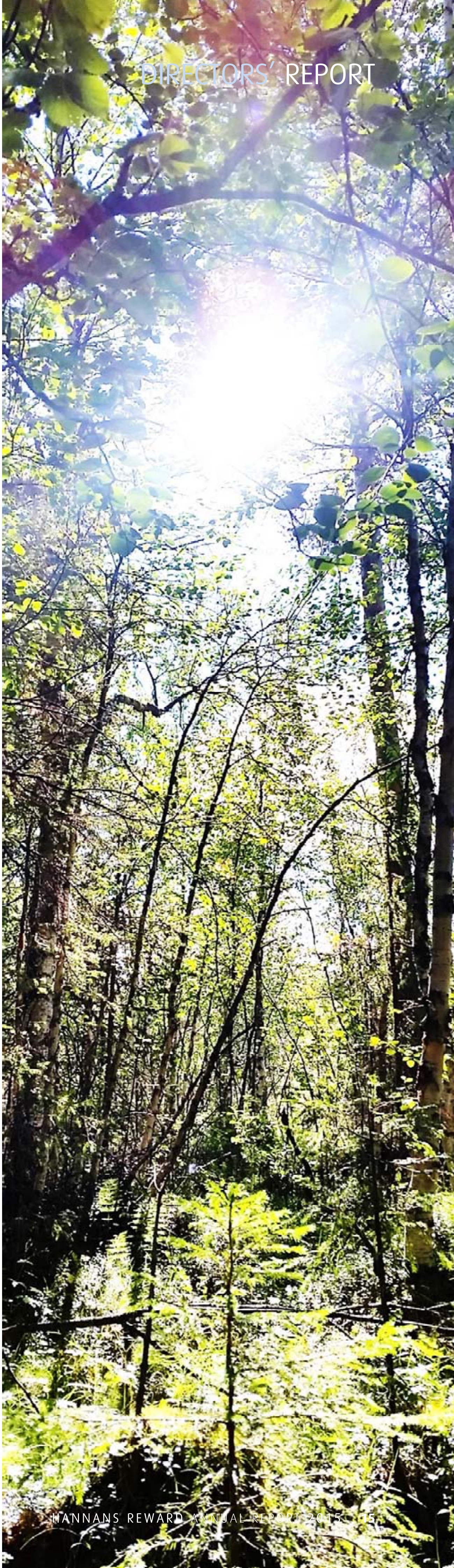
The next stage of feasibility will include the Rakkurijärvi deposit, which is located ~2km away from Rakkurijoki, to expand the scope of the project

PLANNED ACTIVITIES

Subject to funding, Hannans plans to lodge exploitation concession applications for Rakkuri.

JORC RESOURCE ESTIMATE AND EXPLORATION TARGETS

The global resource for the Rakkuri Iron Project as a whole currently stands at 291.7Mt @ 38.8% Fe. For full resource and exploration target tables, accompanying statements and competent person's statements please refer to the Annual Resource Statement on page 16.



Lannavaara Iron Project

The Lannavaara Iron Project has the potential to be a large, long life iron project. The concept for the Project involves exploiting a large magnetite iron resource, converting the ore into a high quality iron concentrate product, transporting the product by heavy gauge rail or slurry pipeline to one of three ports (Narvik-Norway, Luleå-Sweden or Skibotn-Norway) and shipping the product to market.

The main magnetite iron deposit within the Lannavaara Iron project is Paljasjärvi, located approximately 80km, by road, to the nearest open access, heavy gauge, railhead at Svappavaara. The Paljasjärvi deposit is comprised of a 3.5km long magnetic anomaly where magnetite skarn mineralisation was confirmed by historic drilling in 1963 (6 holes).

In 2012 Hannans completed initial Davis Tube Recovery metallurgical testwork on the historic core which confirmed the ore upgrades to +69% Fe product. A substantial amount of drilling is required to further define the deposit and to ultimately generate a JORC compliant Mineral Resource Estimate for Paljasjärvi.

RECENT ACTIVITIES

The Lannavaara Iron Project is at the conceptual stage and therefore Hannans is investigating possible infrastructure solutions to support a mining scenario at Lannavaara. Hannans is aiming to initiate a scoping study level assessment of the various logistics solutions. The Lannavaara deposits are included in the 'Barents in Minerals' report (updated in February 2014) which explores the transportation needs of the Western Barents region.

Hannans commenced wide ranging stakeholder consultations in Norway, Sweden and Finland during the summer of 2014 to gauge the level of support from the Community towards a new iron project in the north. There was generally a positive reception to the concept subject to planning and design taking into account local social and environmental issues.

Hannans is investigating alternative transport solutions for the Lannavaara Iron Project including the potential to build a heavy gauge rail from the deposits to Karesuando (25km) and then alongside the existing E8 road highway to the deep water fjord at Skibotn in Norway (145km). This concept of rail from Kolari, Finland to Skibotn, Norway is not new with both the Norwegian and Finnish governments commissioning feasibility studies into the concept. Hannans also commissioned and received a report into the potential to transport iron concentrate and natural gas via pipeline from the mine site to a proposed port in Skibotn, Norway. The pipeline system identified by Hannans' consultants was determined to be well within the envelope of proven technology and existing commercial experience. An analysis of storage, unloading/reloading and port solution was also completed and an expression of interest for port space in Skibotn, Norway was lodged with the Storfjord Kommun.

PLANNED ACTIVITIES

Subject to funding, the next step is to complete a modern drill campaign over a portion of the Paljasjärvi deposit to establish a JORC Resource in the Indicated category and thereafter complete additional metallurgical test work prior to completion of a scoping study level assessment of the potential project economics. For further information please refer to www.hannansreward.com and the Annual Resource Statements on page 16.

Exploration Portfolio

Hannans has a 100% interest in the Altavaara Copper-Gold Prospect in Norrbotten, Sweden and a 20% free-carried joint venture interest in the Lake Johnston Nickel Project in the Goldfields region of Western Australia. Hannans also has the rights to a 20% interest in tenements granted to NeoMetals Ltd (ASX:NMT) where the Hannans exploration database was used to identify prospective targets.

ANNUAL RESOURCE STATEMENTS (JULY 2014 – JUNE 2015)

Kiruna Iron Project

The global resource estimate for the Kiruna Iron Project currently stands at 291.7Mt @ 38.8% Fe; this is a decrease from the figure reported in 2014 due to the surrender of the Sautusvaara and Tjårrojåkka deposits.

JORC Compliant **Indicated** Mineral Resource Table

Prospect	Mt	Fe (%)	P (%)	S (%)
Ekströmsberg	30.4	52.0	Unavailable	Unavailable
TOTAL	30.4	52.0	–	–

JORC Compliant **Inferred** Mineral Resource Table

Prospect	Mt	Fe (%)	P (%)	S (%)
Rakkurijärvi	69.6	28.5	0.07	0.93
Rakkurijoki	74.5	39.7	0.28	0.89
Vieto	14.0	35.7	0.14	1.46
Puoltsa	19.1	30.2	Unavailable	Unavailable
Renhagen	26.3	32.1	0.21	0.03
Harrejaure	16.2	43.4	0.04	0.01
Ekströmsberg	41.6	52.0	Unavailable	Unavailable
TOTAL	261.3	37.2	–	–

TOTAL	Mt	Fe (%)
Indicated & Inferred	291.7	38.8

The global Exploration Target for both the Kiruna Hub and Lannavaara Hub stands at 188-250Mt @ 32.8-40.4% Fe; this is the same figure reported in 2014.

JORC Compliant **Exploration Target**[5] Tables

Hub 1 – Kiruna Hub

Prospect	Tonnage Range (Mt)	Grade Range (Fe%)
Altavaara	55-60	26-29
Laukkujärvi	4-8	30-35
Tjåorika	15-30	45-55
Total Hub 1	74-98	33.6-39.6

Hub 2 – 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	188-250	32.8-40.3

[5] 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.

Kiruna Iron Project (cont'd)

Competent Person's Statements – Kiruna Iron Project

- The mineral resource estimate for Rakkurijoki and Rakkurijärvi is effective from 13th 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 (Membership No. 230476). Mineral resources for Rakkurijoki and Rakkurijärvi 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. 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 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 (Membership No. 230476). The mineral resource of Puoltsa has 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. 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 mineral resource estimate for Ekströmsberg 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 (Membership No. 450553). The mineral resource of Ekströmsberg has 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 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) (Membership No. 205422). The mineral resource of Vieto has 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) (Membership No. 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.
- 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 (Membership No. 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 information in this document that relates to exploration results for the Rakkuri Iron Project 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.
- Note all Kiruna Iron Project Resource Estimates and Exploration Target Estimates have been prepared and reported under the 2004 JORC Code. The company confirms that all material assumptions and technical parameters underpinning the estimates 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 announcements.

Pahtohavare Cooper-Gold Project

The Pahtohavare Inferred Mineral Resource and Exploration Target Estimate figures are the same as those reported in 2014. Please refer to the ASX Announcement dated 31 January 2014, titled "Re-Release of Maiden JORC Resource for Pahtohavare" for a comprehensive summary of the estimates and technical information including Table 1 (2012 JORC Code-Sections 18 & 19).

Area	Resource Category	Mt	Cu (%)	Au (g/t)	Cu Eq (%)	Mining Scenario	Material
Central	Inferred	1.4	1.8	0.6	2.4	Open Cut	Oxide
Southeast	Inferred	0.8	1.7	0.5	2.1	Open Cut + Underground	Sulphide
South	Inferred	0.1	1.3	0.6	1.9	Underground	Sulphide
COMBINED	Inferred	2.3	1.7	0.6	2.3		

Table 1. JORC Inferred Resource-Pahtohavare Project. (Open pit resources calculated using a Whittle optimised cut-off grade of 0.56% CuEq[6] for oxide material and 0.43% CuEq[3] for sulphide material. Underground resources calculated using a 1.48% CuEq[3]).

[6] Copper equivalent (CuEq) has been calculated using metal selling prices of USD3.56 / lb for Cu and USD1,510 / Oz for Au, along with metal recoveries of 90% for Au and 65% for Cu in sulphide material and 80% for Au and 50% of Cu in oxide material. The following equations were used:

- Oxide: CuEq = (1.12 x Au (ppm) grade) + (0.98 x Cu% grade)
- Sulphide: CuEq = (0.97 x Au (ppm) grade) + (0.99 x Cu% grade)

Pahtohavare Cooper-Gold Project (cont'd)

JORC Compliant **Exploration Target** Tables

Area	Category	Mt	Cu (%)
Eastern	JORC Exploration Target	2-4	0.3-0.7

Table 2: JORC Exploration Target for Eastern Zone, Pahtohavare

Accompanying Statements: JORC Inferred Resource – Pahtohavare

1. The effective date of the Mineral Resource is 12 July 2013.
2. Mineral Resources are reported in relation to a conceptual pit shell. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate.
3. The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated or Measured Mineral Resource; and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.
4. Copper equivalent (CuEq) grades were calculated using metal prices of USD3.56 per pound of copper (Cu), and USD1,510 per troy ounce of gold (Au), along with metal recoveries of 90% for Au and 65% for Cu in sulphide material and 80% for Au and 50% of Cu in oxide material.
5. Open pit Mineral Resources are reported above the Whittle pit shell and above a cut-off grade of 0.56% CuEq for oxide material and 0.43% CuEq for sulphide material.
6. Underground Mineral Resources are reported below the Whittle pit shell, and above a cut-off grade of 1.48% CuEq for sulphide material.
7. Mineral Resources for the Pahtohavare project has been classified according to the JORC Code (2012) by Ben Parsons (MAusIMM (CP)), an independent Competent Person as defined by JORC.
8. The Mineral Resource estimate has not been affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

Accompanying Statement JORC Exploration Target – Pahtohavare

1. The Eastern area of Pahtohavare has not been classified as a Mineral Resource, but is considered by SRK Consulting to be an Exploration Target. This is a result of the historic drilling being on a sparse and variable grid, and due to lack of historic drill core re-assaying.
2. SRK Consulting estimated grades and tonnages to provide an analysis of the potential. As a result, SRK Consulting has delineated an Exploration Target of between 2–4 Mt of material grading between 0.3–0.7% Cu (with negligible Au grades) for the Eastern area, based on blocks within the digitised mineralisation wireframes, but not reported above a cut-off grade.
3. The potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.
4. Based on the copper equivalent cut-off grades used to report the Resources in the Resource statement, only a minor portion of the currently outlined Eastern area would be above the cut-off grade used for Resource reporting. However, this material may have elevated Zn and Pb grades, which were not taken into account during the Resource estimation process.

Competent Person's Statements – Pahtohavare

- The information in this document that relates to exploration results for the Pahtohavare Project 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 the Pahtohavare Mineral Resource and Exploration Target is based on information compiled by Mr Benjamin Parsons, a Competent Person who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy (Membership No. 222568). Benjamin Parsons is a full time employee of SRK Consulting, and has no interest in, and is entirely independent of Hannans Reward Limited. Benjamin Parsons has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in JORC 2012. Benjamin Parsons consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
- The information in this document that relates to the Pahtohavare Mineral Resource and Exploration Target is based on information compiled by Mr Johan Bradley, a Competent Person who is a Chartered Geologist with the Geological Society of London (Membership No. 1014008), and a European Geologist (EurGeol). Johan Bradley is a full time employee of SRK Consulting, and has no interest in, and is entirely independent of Hannans Reward Limited. Johan Bradley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in JORC 2012. Johan Bradley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
- **Note all Resource Estimates, Exploration Target Estimates and Exploration Results within this report pertaining to the Pahtohavare Project have been prepared and reported under the 2012 JORC Code. The company confirms that all material assumptions and technical parameters underpinning the estimates 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 announcements.**

Governance Arrangements and Internal Controls – Mineral Resources

Hannans has ensured that the mineral resource estimates quoted above are subject to governance arrangements and internal controls. The resource estimates have all been externally derived by various independent consulting organisations whose staff have exposure to best practice in modelling and estimation techniques. In 2011 the iron resource estimates were reviewed by an independent consulting organisation who reviewed the quality and suitability of the data underlying the mineral resource estimates, including a site visit. The Pahtohavare resource estimate was similarly completed and reviewed by the same independent consulting organisation that completed the 2011 review of iron resources. These reviews have not identified any material issues. In turn, Hannans' management has carried out numerous internal reviews of the underlying data and mineral resource estimates to ensure that they have been classified and reported in accordance with the JORC Code; the 2004 Edition for the iron resources and the 2012 Edition for the Pahtohavare resource. Hannans reports its mineral resources on an annual basis in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2012 Edition. Competent Persons named by Hannans are Members or Fellows of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists, and qualify as Competent Persons as defined in the JORC Code.

DIRECTORS

The names and particulars of the Directors of the Company during the financial year and until the date of the report are:

Mr Damian Hicks, Managing Director (Appointed 11 March 2002)

Mr Hicks was a founding Director of Hannans Reward Ltd and appointed to the position of Managing Director on 5 April 2007. He formerly held the position of Executive Director and Company Secretary. Mr Hicks is also Managing Director of the Group's subsidiary companies.

Mr Hicks holds a Bachelor of Commerce (Accounting and Finance) from the University of Western Australia, is admitted as a Barrister and Solicitor of the Supreme Court of Western Australia, holds a Graduate Diploma in Applied Finance & Investment from FINSIA, a Graduate Diploma in Company Secretarial Practice from Chartered Secretaries Australia and is a Graduate of the Australian Institute of Company Directors course.

Mr Hicks is a Non-Executive Director of funds management company, Growth Equities Pty Ltd. During the past 3 years Mr Hicks was a Director of Scandinavian Resources Ltd from 19 April 2010 to the date the company ceased to be a listed public company on 12 June 2013.

Mr Jonathan Murray, Non-Executive Director (Appointed 22 January 2010)

Mr Murray is a partner at law firm Steinepreis Paganin, based in Perth, Western Australia. Since joining the firm in 1997, he has gained significant experience in advising on initial public offers and secondary market capital raisings, all forms of commercial acquisitions and divestments and providing general corporate and strategic advice.

Mr Murray graduated from Murdoch University in 1996 with a Bachelor of Laws and Commerce (majoring in Accounting). He is also a member of FINSIA (formerly the Securities Institute of Australia).

During the past 3 years Mr Murray has also served as a director of the following other listed companies:
* Denotes current directorship

- Peak Resources Limited* (appointed 22 February 2011)
- Lemur Resources Limited (appointed 6 November 2013; resigned 29 May 2014)
- Highfield Resources Ltd (appointed 25 October 2011; resigned 14 August 2013)
- Kalgoorlie Mining Company Ltd (appointed 4 June 2010; resigned 5 October 2012)

Mr Markus Bachmann, Non-Executive Director (Appointed 2 August 2012)

Mr Bachmann graduated with Honours ("cum laude") from the University of Berne, Switzerland and began his corporate finance career in 1993.

In 2001, Mr Bachmann was Senior Portfolio Manager with Coronation Fund Managers in Cape Town when it was awarded the Standard & Poor's Award for Manager of the Best Performing Large Cap Equity Unit Trust in South Africa.

In 2003, Mr Bachmann was founding partner of Craton Capital and is the Chief Executive Officer. Craton Capital was awarded Fund Manager of the Year at the Mining Journal's "Outstanding Achievement Awards" announced in London during December 2010 for the Craton Capital Precious Metal Fund. The award is the most prestigious fund award in the mining industry. Craton Capital has offices in Johannesburg, South Africa and in Zurich, Switzerland.

During the past 3 years Mr Bachmann was a Director of Scandinavian Resources Ltd from 19 January 2011 to the date the company ceased to be a listed public company on 12 June 2013.

Mr Olof Forslund, Non-Executive Director (Appointed 2 August 2012)

Mr Forslund is a geophysicist and has extensive international experience in the mineral exploration industry, particularly in the development and application of geophysical instruments and radar technology. His assignments have covered activities in Sweden, Japan, South Korea, Germany, Belgium, Italy, France, Canada and the USA.

Mr Forslund commenced with SGU in 1966 and during the period 2003 – 2007 Mr Forslund was Regional Manager of the Geological Survey of Sweden's Mineral Resources Information Office in Mala, Sweden (www.sgu.se). SGU's branch office Mala serves as a 'one-stop' information office for all those conducting exploration in Sweden.

Mr Forslund was a founding shareholder and President of MALÅ GeoScience (www.malags.com) between 1994 and 1998. MALÅ is currently the global leader in the design and manufacture of Ground Penetrating Radar (GPR) systems.

From 1999-2003 Mr Forslund was also project manager for Georange (www.georange.se), a non-profit organization whose main task is to expand the concept of "development" in the mining and minerals industry in Sweden.

During the past 3 years Mr Forslund was a Director of Scandinavian Resources Ltd from 19 April 2010 to the date the company ceased to be a listed public company on 12 June 2013.

DIRECTORS (cont'd)

Director's Relevant Interest in Shares and Options

At the date of this report the following table sets out the current Directors' relevant interests in shares and options of Hannans Reward Ltd and the changes since 30 June 2015.

Director	Ordinary Shares		Options over Ordinary Shares	
	Current Holding	Net Increase/ (decrease)	Current Holding	Net Increase/ (decrease)
Damian Hicks (i)	6,000,001	–	–	–
Jonathan Murray	5,249,129	–	1,500,000	1,500,000
Markus Bachmann (ii)	58,582,353	–	1,500,000	1,500,000
Olof Forslund	–	–	1,500,000	1,500,000

(i) At the directions of Mr Hicks, options were issued to Acacia Investments Pty Ltd (Acacia). Mr Hicks is netiher a director, shareholder or beneficiary of Acacia or any trust where Acacia is the trustee.

(ii) These shares are held by Craton Capital Funds of which Mr Bachmann is a founding partner and Chief Executive Officer.

During the year 23,500,000 options were granted to the Directors and Key Management Personnel. Since the end of the financial year no share options were granted to directors as part of their remuneration by Hannans.

COMPANY SECRETARY

Mr Ian Gregory (Appointed 5 April 2007)

Mr Gregory holds a Bachelor of Business from Curtin University. Prior to founding his own business in 2005 Mr Gregory was the Company Secretary of Iluka Resources Ltd (6 years), IBJ Australia Bank Ltd Group (12 years) and the Griffin Group of Companies (4 years). Mr Gregory is a past Chairman of the Western Australian branch of the Chartered Secretaries Australia.

KEY MANAGEMENT PERSONNEL

Ms Amanda Scott (Appointed 29 March 2014)

Ms Scott was appointed a director of Scandinavian Resources AB, Kiruna Iron AB and Scandinavian Iron AB in 2014 and has been the Exploration Manager for Hannans Reward Ltd and its subsidiary companies since 2008. Ms Scott played an integral role in the development of the Company's nickel, gold, iron and manganese portfolio and is credited with the discovery of high grade iron mineralisation at the Jigalong Project in the East Pilbara region on Western Australia. Ms Scott was also a key person responsible for developing the Rakkuri Iron Project and advancing the Pahtohavare Copper-Gold Project in Sweden. Ms Scott holds a Bachelor of Science (Geology) from Victoria University of Wellington, and is a Member of the Australian Institute of Mining & Metallurgy.

REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration

B. Details of remuneration

C. Service agreements

D. Share–based compensation

E. Additional information

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A. Principles used to determine the nature and amount of remuneration

The whole Board forms the Remuneration Committee. The remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component with the flexibility to offer specific long term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to manage the Group.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives is as follows:

∂ The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually and determines policy recommendations by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.

∂ The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth.

∂ The Managing Director and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5% of base salary and do not receive any other retirement benefits.

∂ All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Options are valued using the Black–Scholes and Monte-Carlo methodologies where relevant.

∂ The Board policy is to remunerate non–executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non–executive directors and reviews the remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required, no independent external advise was sought during the year. The maximum aggregate amount of fees that can be paid to Non–Executive Directors is subject to approval by shareholders at the Annual General Meeting. The approved maximum aggregate amount that may be paid to Non-Executive Directors as remuneration for each financial year is set at $250,000 which may be divided among the Non-Executive Directors in the manner determined by the Board and Company from time to time. Fees for Non–Executive Directors are not linked to the performance of the Company. The 2014 remuneration report was approved at the last Annual General Meeting held on 20 November 2014.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders investment objectives and directors and executive performance. The Company facilitates this through the issue of options from time to time to the directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. The Company currently has no performance based remuneration component built into director and executive remuneration packages.

The Board does not consider earnings during the current and previous financial years when determining, and in relation to, the nature and amount of directors' remuneration. Refer below for a summary of the Group's earnings and the Company's market performance for the past 5 years.

Summary of 5 Years earnings and market performance as at 30 June

	2015	2014	2013	2012	2011
Profit/(Loss) ($)	(29,120,403)	(1,015,324)	(2,544,386)	(627,640)	(1,845,727)
Share price ($)	0.002	0.005	0.015	0.038	0.17
Market capitalisation (Undiluted) ($)	1,443,932	3,609,831	10,604,492	18,231,367	22,380,282

REMUNERATION REPORT (AUDITED) (cont'd)

B. Details of remuneration

Details of remuneration of the Directors and key management personnel (as defined in *AASB 124 Related Party Disclosures)* of Hannans are set out in the table below.

The key management personnel of Hannans and the Group are the Directors and a Director of subsidiaries as listed on page 19 and 20.

Given the size and nature of operations of Hannans, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

	Short Term			Post-employment		Equity				
	Salary & fees $	Other benefits (i) $	D&O insurance (ii) $	Superannuation $	Other benefits (iii) $	Options (iv) $	Long term benefits (v) $	Other benefits (vi) $	Total $	Value options as proportion of remuneration %
2015										
Directors										
Damian Hicks (vii)	258,648	(2,983)	2,395	24,572	27,022	19,864	4,721	(8,979)	325,260	6.1%
Jonathan Murray (viii)	38,850	–	2,395	–	–	3,136	–	–	44,381	7.1%
Markus Bachmann (viii)	38,850	–	2,395	–	–	3,136	–	–	44,381	7.1%
Olof Forslund (viii)	38,850	–	2,395	–	–	3,136	–	–	44,381	7.1%
Executives										
Amanda Scott (ix) (Director of subsidiaries)	134,417	3,646	2,396	24,097	38,303	19,864	–	(274)	222,449	8.9%
Total	509,615	663	11,976	48,669	65,325	49,136	4,721	(9,253)	680,852	7.2%
2014										
Directors										
Damian Hicks (vii)	258,648	22,868	3,075	23,925	17,677	–	2,495	33	328,721	–
Jonathan Murray (viii)	38,850	–	3,075	–	–	–	–	–	41,925	–
Markus Bachmann (viii)	38,850	–	3,075	–	–	–	–	–	41,925	–
Olof Forslund (viii)	38,850	–	3,075	–	–	–	–	–	41,925	–
Executives										
Amanda Scott (ix) (Director of subsidiaries)	157,709	19,319	1,010	34,158	49,552	–	–	–	261,748	–
Total	532,907	42,187	13,310	58,083	67,229	–	2,495	33	716,244	–

(i) Short Term Other benefits include annual leave decrement of $14,107 (2014: $6,865) for Damian Hicks and $3,646 (2014: $19,319) for Amanda Scott. Damian Hicks and his family were located in Malå, Sweden and were provided with accommodation to the value of $11,124 (2014: $16,003) to 31 March 2015. Mr Hicks returned to Perth, Australia as of 1 April 2015. The net benefits movement for Mr Hicks include decrement for the year of $2,983 and increment of $3,646 for Ms Scott.

(ii) For accounting purposes Directors & Officers Indemnity Insurance is required to be recorded as remuneration. No director receives any cash benefits, simply the benefit of the insurance coverage for the financial year.

(iii) A Swedish company paying employees for work is required to pay Swedish Social Security Contribution (SSC) which is a framework of publicly funded social provision, ranging from pensions and healthcare to parental allowances and employment-related insurance. SSC is calculated on the basis of paid salaries and issued benefits. No employee receives any cash benefit, simply the benefit of social provision by the Swedish government. SSC benefits for Mr Hicks was $27,022 (2014: $17,677) and Ms Scott was $38,303 (2014: $49,552). Mr Hicks has returned to Australia and no SSC payments have been made from 1 April 2015.

(iv) The amounts included are under Hannans' Employee Share Option Plan (ESOP). They were approved by shareholder in November 2014 are non-cash items that are subject to vesting conditions. Tranche 2 and Tranche 3 options remain subject to continued service over a one-year and two-year vesting period respectively. Refer to note 8 for more information.

(v) Long term benefits include benefits increment for the year in unpaid long service leave of $4,721 (2014: $2,495).

(vi) Other benefits consist of exchange gain/(loss) due to foreign currency translation from Swedish Krona to Australia Dollars on Mr Hicks' salary and Ms Scott's ESOP valuation.

(vii) In an effort to assist the Company with managing its cash flow and to enable tax planning for the Group, Mr Hicks has deferred a part of his salary from 1 April 2013 to 31 March 2015. The deferred payment for the year of $70,986 is included in the above remuneration.

(viii) In an effort to assist the Company with managing its cash flow, Mr Murray, Mr Bachmann and Mr Forslund have deferred their Non-Executive Director fee from 1 January 2014 to 30 June 2015.The deferred amount for the year of $116,550 is included in the above remuneration (equivalent of $38,850 per director). As from 1 July 2015 Non-Executive Directors are accruing fees of $12,000 each per annum.

(ix) Ms Scott was appointed as a Director of the Swedish subsidiaries on 29 March 2014 comprising of Scandinavian Resources AB, Kiruna Iron AB and Scandinavian Iron AB.

REMUNERATION REPORT (AUDITED) (cont'd)

C. Service agreements

Managing Director

Mr Hicks commenced employment with Hannans Reward on 3 December 2003.

Mr Hicks entered into an employment agreement as Managing Director of the Company on 21 December 2009. The remuneration package comprised $230,000 per annum (exclusive of statutory superannuation entitlements), reimbursement of work related expenses, provision of a motor vehicle, a remuneration increase of 5% per annum and provision for a performance based bonus as determined by the Board. Either party can terminate the arrangement with three months written notice and payment by the Company of all statutory annual and long service leave entitlements. Mr Hicks' salary was increased to $258,648 per annum on 1 July 2012.

The Board considered it necessary that Mr Hicks relocate to Malå, Västerbotten County, Sweden to fulfil the role of Managing Director considering Hannans' major projects were located in Scandinavia. Mr Hicks and his family relocated to Malå on 10 March 2013 and were provided with accommodation. Mr Hicks entered into an employment agreement with Hannans subsidiary Scandinavian Resources AB in accordance with visa requirements to work and reside in Sweden. Prior to relocating to Sweden the Board finalised Mr Hicks' salary arrangement on the basis that he would receive the same (no less and no more) remuneration as if he had remained residing in Australia. As a consequence of Mr Hicks relocating to Sweden Hannans became liable for significantly higher employment tax obligations including Swedish social security contributions. Mr Hicks returned to Australia on 1 April 2015.

In an effort to assist the Company with managing its cash flow, Mr Hicks deferred $204,170 in salary entitlements during the period 1 April 2013 to 31 March 2015 (please refer to note 15 on page 66). Mr Hicks has accrued annual leave of $58,054 (2014: $72,161) and accrued long service leave of $51,926 (2014: $47,205) as at 30 June 2015. Mr Hicks has not received the salary entitlements provided for in his employment agreement since 1 July 2012 and has not been provided with a motor vehicle since 1 April 2015. On 31 March 2010 Mr Hicks was provided with a $300,000 loan to exercise 1.5 million Hannans options. The Company has agreed to suspend interest charged, principal repayments and interest payments until further notice. The loan repayment date was extended by two (2) years to 31 March 2017. The balance of the loan is currently $168,985. After taking into account Mr Hicks' entitlements pursuant to his employment contract and the loan outstanding, the net amount owed by Hannans to Mr Hicks as at 30 June 2015 was $35,185.

Whilst Mr Hicks' employment agreement has not been amended since execution as from 1 July 2015 he is receiving a salary equivalent to $120,000 per annum plus statutory superannuation from 1 July 2015. It is the Boards intention to finalise a new employment agreement with Mr Hicks' in the future that will take into consideration market conditions and Mr Hicks' outstanding entitlements pursuant to employment agreement entered into on 21 December 2009.

Non-Executive Directors

Remuneration and other terms of employment for the Non-executive Directors are formalised in service agreements. The Non-executive directors are employed on a rolling basis with no specified fixed terms. They are remunerated on a fixed remuneration basis, exclusive of superannuation.

In an effort to assist the Company with managing its cash flow, Mr Murray, Mr Bachmann and Mr Forslund have deferred their Non-Executive Director fee from 1 January 2014 to 30 June 2015. The total deferred fees for the period of $165,113 is included in note 15 on page 66. As from 1 July 2015 Non-Executive Directors are accruing fees of $12,000 each per annum.

Major provisions of the agreements relating to the Non-executive directors are set out below.

	Termination Notice Period		
Name	By HANNANS	By Employee	Termination payments*
Non-Executive Directors			
Jonathan Murray	1 month	1 month	1 month
Markus Bachmann	1 month	1 month	1 month
Olof Forslund	1 month	1 month	1 month

* Termination payments (other than for gross misconduct) are calculated on current remuneration at date of termination and are inclusive of the notice period.

Executive

Remuneration and other terms of employment for the executive is formalised in an employment agreement. The executive is employed on a rolling basis with no specified fixed terms. She is remunerated on a fixed remuneration basis inclusive of superannuation in accordance with the Swedish regulation.

Major provisions of the agreements relating to the executive are set out below.

	Termination Notice Period		
Name	By HANNANS	By Employee	Termination payments*
Director | Damian Hicks	3 months	3 months	3 months
KMP | A Scott	3 months	3 months	3 months

* Termination payments (other than for gross misconduct) are calculated on current remuneration at date of termination and are inclusive of the notice period.

REMUNERATION REPORT (AUDITED) (cont'd)

D. Share-based compensation

Options are issued to directors and executives as part of their remuneration. The options are not based on performance criteria, but are issued to align the interests of directors, executives and shareholders. At the date of this report, there were 23,500,000 options (2014: Nil) issued to Directors and Executive. Refer to the remuneration report for further details of the options outstanding.

	Financial year	Options awarded during the year No.	Award date	Fair value per options at grant date	Vesting date	Exercise price	Expiry date	Vested during the year No.	Lapsed during the year No.
2015									
Directors									
Damian Hicks (i)	2015	3,166,667	20 Nov 14	0.3 cents	20 Nov 14	0.8 cents	20 Nov 17	3,166,667	–
	2015	3,166,667	20 Nov 14	0.3 cents	20 Nov 15	(ii)	20 Nov 18	–	–
	2015	3,166,666	20 Nov 14	0.3 cents	20 Nov 16	(iii)	20 Nov 19	–	–
Jonathan Murray	2015	500,000	20 Nov 14	0.3 cents	20 Nov 14	0.8 cents	20 Nov 17	500,000	–
	2015	500,000	20 Nov 14	0.3 cents	20 Nov 15	(ii)	20 Nov 18	–	–
	2015	500,000	20 Nov 14	0.3 cents	20 Nov 16	(iii)	20 Nov 19	–	–
Markus Bachmann	2015	500,000	20 Nov 14	0.3 cents	20 Nov 14	0.8 cents	20 Nov 17	500,000	–
	2015	500,000	20 Nov 14	0.3 cents	20 Nov 15	(ii)	20 Nov 18	–	–
	2015	500,000	20 Nov 14	0.3 cents	20 Nov 16	(iii)	20 Nov 19	–	–
Olof Forslund	2015	500,000	20 Nov 14	0.3 cents	20 Nov 14	0.8 cents	20 Nov 17	500,000	–
	2015	500,000	20 Nov 14	0.3 cents	20 Nov 15	(ii)	20 Nov 18	–	–
	2015	500,000	20 Nov 14	0.3 cents	20 Nov 16	(iii)	20 Nov 19	–	–
Executives									
Amanda Scott (Director of subsidiaries)	2015	3,166,667	20 Nov 14	0.3 cents	20 Nov 14	0.8 cents	20 Nov 17	3,166,667	–
	2015	3,166,667	20 Nov 14	0.3 cents	20 Nov 15	(ii)	20 Nov 18	–	–
	2015	3,166,666	20 Nov 14	0.3 cents	20 Nov 16	(iii)	20 Nov 19	–	–

(i) At the directions of Mr Hicks, options were issued to Acacia Investments Pty Ltd (Acacia). Mr Hicks is neither a director, shareholder or beneficiary of Acacia or any trust where Acacia is the trustee.

(ii) Exercise price will be calculated from the volume weighted average share price for the ten (10) trading days after 20 November 2015 for each Tranche PLUS a premium of 50%.

(iii) Exercise price will be calculated from the volume weighted average share price for the ten (10) trading days after 20 November 2016 for each Tranche PLUS a premium of 50%.

REMUNERATION REPORT (AUDITED) (cont'd)

E. Additional information

Performance income as a proportion of total compensation

No performance based bonuses have been paid to directors or executives during the financial year.

Key management personnel equity holdings

Fully paid ordinary shares of Hannans Reward Ltd

Key management personnel	Balance at 1 July	Granted as remuneration	Received on exercise of options	Net other change	Balance at 30 June
	No.	No.	No.	No.	No.
2015					
Damian Hicks	6,000,001			–	6,000,001
Jonathan Murray	5,249,129	–	–	–	5,249,129
Markus Bachmann	58,582,353	–	–	–	58,582,353
Olof Forslund	–	–	–	–	–
Amanda Scott (i)	260,001	–	–	–	260,001
	70,091,484	–	–	–	70,091,484
2014					
Damian Hicks	3,000,001			3,000,000	6,000,001
Jonathan Murray	2,749,129	–	–	2,500,000	5,249,129
Markus Bachmann	47,700,000	–	–	10,882,353	58,582,353
Olof Forslund	–	–	–	–	–
Amanda Scott (i)	260,001	–	–	–	260,001
	53,709,131	–	–	16,382,353	70,091,484

(i) Ms Scott was appointed as a Director of the Swedish subsidiaries on 29 March 2014.

Options of Hannans Reward Ltd

Key management personnel	Balance at 1 July	Granted as remuneration	Options exercised	Net other change	Balance at 30 June	Vested at 30 June: Exercisable	Vested at 30 June: Not exercisable
	No.	No.	No.	No.	No.	No.	No.
2015							
Damian Hicks (i)	–	9,500,000	–	(9,500,000)	–	3,166,667	6,333,333
Jonathan Murray	–	1,500,000	–	–	1,500,000	500,000	1,000,000
Markus Bachmann	–	1,500,000	–	–	1,500,000	500,000	1,000,000
Olof Forslund	–	1,500,000	–	–	1,500,000	500,000	1,000,000
Amanda Scott	–	9,500,000	–	–	9,500,000	3,166,667	6,333,333
	–	23,500,000	–	(9,500,000)	14,000,000	7,833,334	15,666,666

(i) At the directions of Mr Hicks, options were issued to Acacia Investments Pty Ltd (Acacia). Mr Hicks is neither a director, shareholder or beneficiary of Acacia or any trust where Acacia is the trustee.

There were no options issued to KMP in 2014. The options include those held directly, indirectly and beneficially by KMP.

REMUNERATION REPORT (AUDITED) (cont'd)

F. Additional information (cont'd)

Loans to KMP and their related parties

Details regarding loans outstanding at the reporting date to key management personnel and their related parties at any time in the reporting period, are as follows:

	Balance 1 July 2014 $	Balance 30 June 2015 $	Interest charged $	Highest balance in period $	Number of KMP in Group
Director					
Damian Hicks	168,985	168,985	–	168,985	1
	168,985	168,985	–	168,985	

The Board approved a loan for $300,000 at 6% per annum repayable on or before 31 March 2015. The loan funds were used to exercise 1,500,000 options in Hannans at an exercise price of $0.20 per option. The interest charged has been suspended while Mr Hicks' salary is being deferred, therefore the interest charged for the year amounted to Nil (2014: Nil). The Company has agreed to suspend interest charged, principal repayments and interest payments until further notice. The loan repayment date was extended by two (2) years to 31 March 2017.

Other transactions and balances with KMP and their related parties

Director transactions

Steinepreis Paganin, of which Mr Jonathan Murray is a partner, provided legal services amounting to $10,585 (2014: $21,732) to the Group during the year. The amounts paid were on arms length commercial terms. Mr Murray's director's fees are also paid to Steinepreis Paganin and remain unpaid since January 2014. At 30 June 2015 $449 (2014: $19,425) was owing to Steinepreis Paganin.

End of Remuneration Report

Directors Meetings

The following tables set information in relation to Board meetings held during the financial year.

	Board Meetings		Circular	
Board Member	Held while Director	Attended	Resolutions Passed	Total
Damian Hicks	4	4	1	5
Jonathan Murray	4	4	1	5
Markus Bachmann	4	4	1	5
Olof Forslund	4	4	1	5

PROJECTS

The Projects are constituted by the following tenements:

SWEDEN

Tenement Number	Tenement Interest %	Note
Project: Kiruna Iron		
Kiruna North Prospect		
Altavaara	100	
Altavaara Norra	100	
Kiruna Central Prospect		
Gäddmyr nr 1	100	
Gäddmyr nr 2	100	
Gäddmyr nr 3	100	
Laukujärvi nr 3	100	
Pahtohavare nr 2	100	
Pahtohavare nr 4	100	
Puoltsa nr 4	100	
Rakkurijärvi nr 2	100	
Vieto nr 1	100	
Kiruna South Prospect		
Ekströmsberg nr 4	100	
Ekströmsberg nr 5	100	

Tenement Number	Tenement Interest %	Note
Project: Kiruna Iron		
Kiruna South Prospect		
Harrejaure nr 1	100	
Piedjastjokko nr 6	100	
Project: Daningen		
Daningen nr 2	100	
Project: Lannavaara		
Lannavaara nr 8	100	
Lannavaara nr 101	100	
Lannavaara nr 102	100	
Lannavaara nr 103	100	
Lannavaara nr 104	100	
Paljasjärvi nr 2	100	
Project: Särksjön		
Särksjön nr 2	100	
Project: Våtmyrberget		
Våtmyrberget nr 6	100	

Tenement Number	Tenement Interest %	Note
Project: Lapland		
Jalokoski nr 1	100	
Kaalamakoski nr 1	100	
Lainio nr 1	100	
Lumivaara nr 1	100	
Lumivaara nr 2	100	
Merasjärvi nr 1	100	
Merasjoki nr 1	100	
Merasjoki nr 3	100	
Naakajärvi nr 1	100	
Naakajärvi nr 2	100	
Naakajärvi nr 3	100	
Parkajoki nr 1	100	
Parkajoki nr 2	100	
Suijaivaara nr 1	100	
Suorkivaara nr 2	100	
Tuorerova nr 2	100	
Tuorerova nr 3	100	

AUSTRALIA

Tenement Number	Tenement Interest %	Note
Project: Lake Johnston		
E63/1365	20	1

NOTE:
1 Hannans Reward Ltd holds 20% interest, Reed Resources Pty Ltd holds 80% interest.

TENEMENTS UNDER APPLICATION

No applications for tenements have been submitted.

CAPITAL

Hannans Reward Ltd issued capital is as follows:

Ordinary Fully Paid Shares

At the date of this report there are the following number of Ordinary fully paid shares

	Number of shares
Ordinary fully paid shares	721,966,133

Shares Under Option

At the date of this report there are 36,050,000 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the year	–
Movements of share options during the year and to the date of this report	
Issued at 0.8 cents, expiring 20 November 2017	12,016,668
Issue price will be VWAP* for 10 trading days after 20 November 2015 PLUS 50% premium, expiring 20 November 2018	12,016,668
Issue price will be VWAP* for 10 trading days after 20 November 2016 PLUS 50% premium, expiring 20 November 2019	12,016,664
Total number of options outstanding at the date of this report	36,050,000

** VWAP = Volume Weighted Average Price*

Substantial Shareholders

Hannans Reward Ltd has the following substantial shareholders as at 23 September 2015:

Name	Number of shares	Percentage of issued capital
Equity & Royalty Investments Ltd	120,000,003	16.62
JP Morgan Nominees Australia Limited	64,259,471	8.90

Range of Shares as at 23 September 2015

Range	Total Holders	Units	% Issued Capital
1 – 1,000	85	26,665	0.00
1,001 – 5,000	234	811,931	0.11
5,001 – 10,000	215	1,809,924	0.25
10,001 – 100,000	741	32,890,768	4.56
100,001 – 9,999,999	551	686,426,845	95.08
Total	1,826	721,966,133	100.00

CAPITAL (cont'd)

Unmarketable Parcels as at 23 September 2015

	Minimum parcel size	Holders	Units
Minimum $500.00 parcel at $0.004 per unit	125,000	1,307	39,137,736

Top 20 holders of Ordinary Shares as at 23 September 2015

Rank	Name	Units	% of Issued Capital
1	Equity & Royalty Investments Ltd	120,000,003	16.62
2	JP Morgan Nominees Australia Limited	64,259,471	8.90
3	Mr Bruce Drummond + Mrs Judith Drummond <Drummond Super Fund A/C>	27,000,000	3.74
4	Marfield Pty Limited	22,392,157	3.10
5	Jetosea Pty Ltd	20,631,755	2.68
6	Errawarra Pty Ltd	16,000,000	2.22
7	Allua Holdings Pty Ltd <Rizon Super Fund A/C>	10,000,000	1.39
8	HSBC Custody Nominees (Australia) Limited - A/C 2	8,453,484	1.17
9	Anglo American Exploration BY	7,389,162	1.02
10	Acacia Inevstments Pty Ltd	7,157,168	0.99
11	Mossisberg Pty Ltd	6,596,642	0.91
12	Psg Holdings (Wa) Pty Ltd <Saunders Super Fund A/C>	6,500,000	0.90
13	Mr William George Howe	6,000,000	0.83
14	Mr Daryl Ponsford	5,930,000	0.82
15	Mrs Andrea Murray <Murray Family Fund No 2 A/C>	5,107,354	0.71
16	Mr Zbigniew Mark Kaczmarek	5,037,656	0.70
17	Mr Mark John Bahen + Mrs Margaret Patricia Bahen <Superannuation Account>	4,779,000	0.66
18	Dyspo Pty Ltd <Henty Super Fund A/C>	4,600,000	0.64
19	Rock Biz Pty Ltd <Hicks Group S/F No 3 A/C>	4,542,647	0.63
20	Portbarb Pty Ltd	4,500,000	0.62
Total of Top 20 Holders of ORDINARY SHARES		356,876,499	49.43

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were the exploration and evaluation of mining tenements with the objectives of identifying economic mineral deposits.

FINANCIAL REVIEW

The Group began the financial year with cash reserves of $695,163.

During the year total exploration expenditure expensed by the Group amounted to $387,160 (2014: $534,311). The exploration expenditures relate to non JORC compliant mineral resource projects and this has been expensed in accordance with the Group's accounting policy. In addition, exploration expenditure relating to expenditure on JORC compliant mineral resource project amounted to $161,630 (2014: $577,164) was capitalised in accordance with the Group's accounting policy. Impairment assessment is carried out at each reporting date by evaluating the conditions specific to the Group and the assets that may lead to impairment. Taking into consideration the assessment of the global market and with the decrease in valuations being attributed to exploration and mining companies the Board has decided to impair the capitalised exploration expenditure of $28,275,372 (2014: Nil) in line with the assessment of the Group. This will have no impact on the Group's cash position. The administration expenditure incurred amounted to $961,192 (2014: $1,664,755). This has resulted in an operating loss after income tax for the year ended 30 June 2015 of $29,120,403 (2014: $1,015,324 loss).

Hannans also achieved notable savings in administration expenses following a review of all corporate and operating costs during the year which saw the Group securing additional fixed cost arrangements to reduce the Perth office rent.

As at 30 June 2015 cash and cash equivalents totalled $345,497.

Summary of 5 Year Financial Information as at 30 June

	2015	2014	2013	2012	2011
Cash and cash equivalents ($)	345,497	695,163	1,809,204	167,740	570,840
Net assets/equity ($)	73,563	29,189,786	30,363,102	32,071,828	25,103,565
Exploration expenditure expensed ($)	(387,160)	(534,311)	(2,896,893)	(5,355,852)	(4,432,070)
Exploration and evaluation expenditure capitalised ($)	(161,630)	(577,164)	(837,196)	–	–
No of issued shares	721,966,133	721,966,133	706,966,133	479,772,810	131,648,715
No of options	36,050,000	Nil	300,000	31,210,017	5,000,000
Share price ($)	0.002	0.005	0.015	0.038	0.17
Market capitalisation (Undiluted) ($)	1,443,932	3,609,831	10,604,492	18,231,367	22,380,282

Summary of Share Price Movement for Year ended 30 June 2015

	Price	Date
Highest	$0.01	10 July 2014
Lowest	$0.002	9 – 10 March 2015 28 May – 30 June 2015
Latest	$0.004	23 September 2015

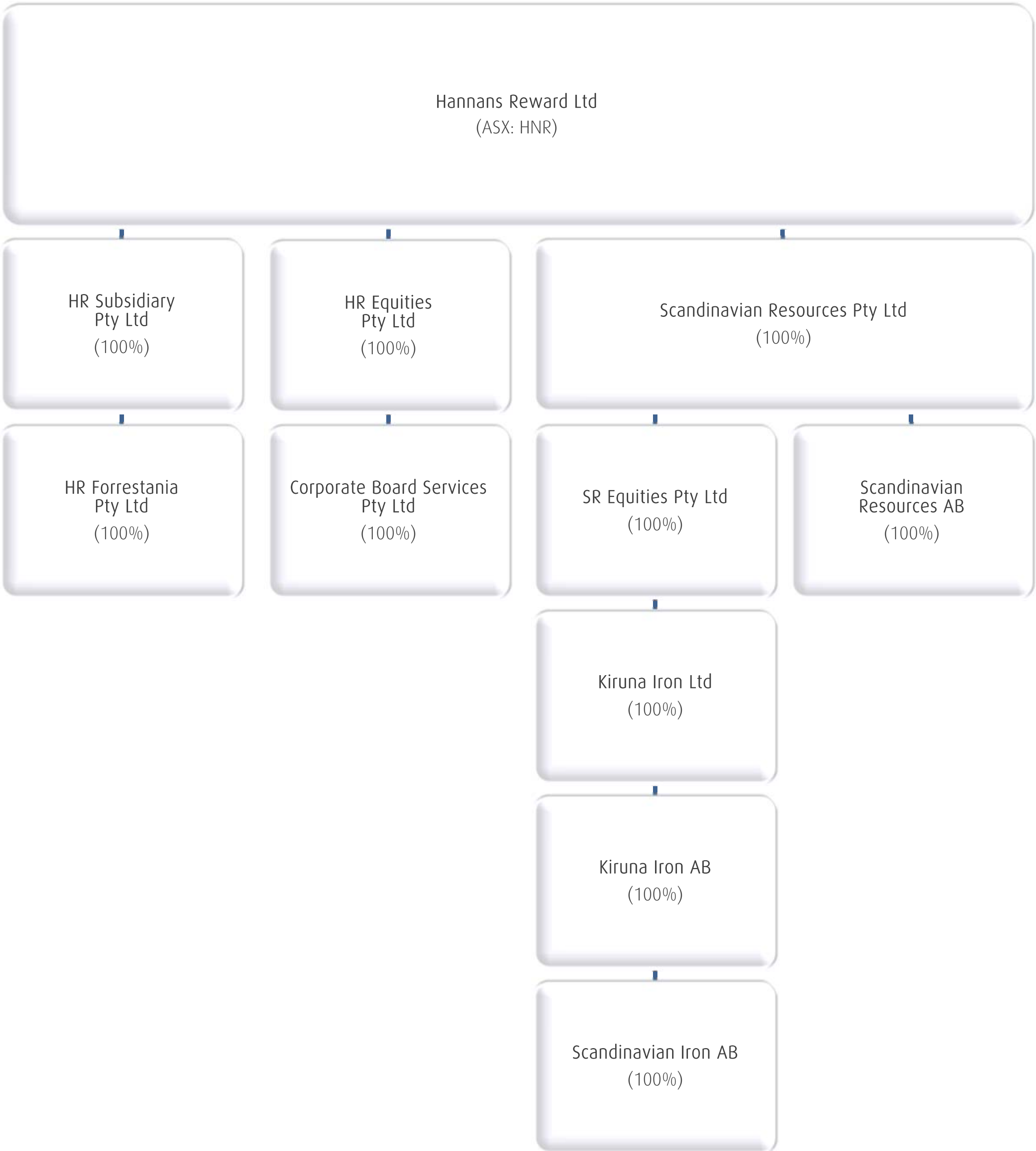
ANNOUNCEMENTS

ASX Announcements for the year

Date	Announcement Title
27 Aug 2015	Pahtohavare High Grace Copper
26 Aug 2015	Trading Halt
31 Jul 2015	4th Quarter Cashflow Report
31 Jul 2015	4th Quarter Activities Report
13 Jul 2015	Lapland Project Granted
06 Jul 2015	Drilling Copper-Gold Targets
02 Jul 2015	Sale of Exploration Database
12 Jun 2015	Change of Share Registry Address
14 May 2015	Copper Test Work
30 Apr 2015	3rd Quarter Cashflow Report
30 Apr 2015	3rd Quarter Activities Report
27 Mar 2015	JV with Swedish Mining Company
16 Mar 2015	Half Year Financial Report
12 Mar 2015	CUL: Sale of Gold Rights
12 Mar 2015	Sale of Gold Rights
19 Feb 2015	Nickel Drilling Update
02 Feb 2015	Lapland Ni-Cu-PGE Presentation
02 Feb 2015	2nd Quarter Activities Report
30 Jan 2015	2nd Quarter Cashflow Report
22 Jan 2015	Major New Ni-Cu-PGE Project
21 Jan 2015	Copper Testwork - Pahtohavare
20 Jan 2015	Nickel Drilling
05 Dec 2014	Updated Capital Structure
05 Dec 2014	Rakkuri Iron Project
20 Nov 2014	2014 Annual General Meeting Results
20 Nov 2014	2014 AGM presentation
05 Nov 2014	Lannavaara Iron Project
31 Oct 2014	1st Quarter Activities Report
31 Oct 2014	1st Quarter Cashflow Report
20 Oct 2014	Notice of Annual General Meeting
20 Oct 2014	Nickel Drilling at Lake Johnston
19 Sep 2014	Scoping Study Pipeline Contract
12 Sep 2014	Pahtohavare Copper-Gold Update
05 Sep 2014	2014 Annual Report
02 Sep 2014	Second USD500,000 Received for Rakkuri Iron Project
31 Jul 2014	4th Quarter Cashflow Report
31 Jul 2014	4th Quarter Activities Report
01 Jul 2014	Lannavaara Iron Project

CORPORATE STRUCTURE

The corporate structure of Hannans Reward Limited group is as follows:



CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for the corporate governance of the Company. The Board guides and monitors the business affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The ASX document '*Corporate Governance Principles and Recommendations 3rd Edition*' published by the ASX Corporate Governance Council applies to listed entities with the aim of enhancing the credibility and transparency of Australia's capital markets. The Principles and Recommendations can be viewed at www.asx.com.au.

The Board has assessed the Group's current practice against the Principles and Recommendations and other than the matters specified below under *"If Not, Why Not" Disclosure*, all the best practice recommendations of the ASX Corporate Governance Council have been applied.

Please refer to the Company's website (*www.hannansreward.com*) for Hannans' Governance Statements and Policies.

In relation to departures by the Company from the best practice recommendations, Hannans makes the following comments:

Principle 1: Lay solid foundations for management and oversight

1.5 *A listed entity should have a diversity policy which includes requirements for the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them.*

The Board is responsible for establishing and monitoring on an annual basis the achievement against gender diversity objectives and strategies, including the representation of women at all levels of the organisation.

The proportion of women within the Group as at 30 June 2015 was as follows:

Women employees in the Group	75%
Women in senior management positions	67%
Women in the Board of Hannans Reward Ltd	0%
Women in the Board of Subsidiary Companies	33%

The Board acknowledges the absence of female participation on the Board of Directors of the parent company. However, the Board has determined that the composition of the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management.

The Company has not set or disclosed measurable objectives for achieving gender diversity. As can be seen from the statistics 67% of senior management positions are filled by women. Due to the size of the Company, the Board does not deem it practical to limit the Company to specific targets for gender diversity as it operates in a very competitive labour market where positions are sometimes difficult to fill. However, every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background.

1.6 *Companies should disclose, in relation to each reporting period, whether a performance evaluation of the Board was undertaken in the reporting period in accordance with that process.*

Evaluation of the Board is carried out on a continuing and informal basis. The Company will put a formal process in place as and when the level of operations justifies it. No performance evaluation was undertaken in the reporting period.

1.7 *Companies should disclose, in relation to each reporting period, whether a performance evaluation of its senior executives was undertaken in the reporting period in accordance with that process.*

Evaluation of the senior executives is carried out on a continuing and informal basis. The Company will put a formal process in place as and when the level of operations justifies it. No performance evaluation was undertaken in the reporting period.

Principle 2: Structure the Board to add value

2.1 *The Board should establish a nomination committee*

The Board as a whole will decide on the choice of any new director upon the creation of any new Board position and if any casual vacancy arises. Decisions to appoint new directors will be minuted. The Board will identify candidates and assess their skills in deciding whether an individual has the potential to add value to the Company. The Board may also seek independent advice to assist with the identification process. The Board considers that this process is appropriate given the size and the complexity of the Group's affairs. Until the situation changes the Board will carry out any necessary nomination committee functions.

2.4 *The majority of the Board should be independent directors*

The Board consists of three Non–Executive Directors and a Managing Director. Details of their skills, experience and expertise and the period of office held by each Director have been included in the Directors' Report. The number of Board meetings and the attendance of the Directors are set out in the Directors' Report.

CORPORATE GOVERNANCE STATEMENT (cont'd)

The Board considers that the composition of the existing Board is appropriate given the scope and size of the Group's operations and the skills matrix of the existing Board members. The Board will continue to monitor whether this remains appropriate as the scope and scale of its activities evolves and expands. The Company does not have the financial resources to pay the current Directors nor appoint additional Directors so until that situation changes the current Board will remain in place for the time being.

2.5 *The Chair of the Board should be an independent director and, in particular, should not be the same person as the Managing Director/Chief Executive Officer*

The current Chair of the Company, Mr Damian Hicks does not satisfy the ASX Corporate Governance Principles and Recommendations definition of an independent director.

However the Board considers Mr Hicks' role as Executive Chairman and Managing Director essential to the success of the Group in its current stage, wherein the Group continues to refine its focus on the strategic development of the business. Over time, it is proposed that the Chair position will transition to an independent non-executive director.

Principle 4: Safeguard integrity of corporate reporting

4.1 *The Board should establish an audit committee*

The Board as a whole meets with the auditor to identify and discuss the areas of audit focus, appropriateness of the accounting judgement or choices exercised by management in preparation of the financial statements. The Board may also seek independent advice as and when required to address matters pertaining to appointment, removal or rotation of auditor. The Board considers that this process is appropriate given the size and the complexity of the Group's affairs. It is not considered necessary to have a separate audit committee.

Principle 7: Recognise and manage risk

7.1 *The Board should establish a risk committee*

The Company is constantly monitoring risks associated with the economy, industry and company due to their role as professional fund managers, lawyers, in-country specialists and shareholders with a view to managing risks and identifying threats. This process is on-going. The preparation of the Board pack and its timely distribution is a key element of this process along with monthly cash flow budgets, management discussions and informal communications between the Board and management via telephone, email and in person. The Board considers that this process is appropriate given the size and complexity of the Group's affairs. It is not considered necessary to have a separate risk committee.

7.2 *The Board should review the entity's risk management framework and disclose at each reporting period*

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is crucial for all Board members to be part of this process, and as such the Board has not established a separate risk management committee. The Board considers that this process is appropriate given the size and the complexity of the Group's affairs.

The Board has a number of mechanisms in place to ensure management's objectives and activities are aligned by the Board. These include but are not limited to the following:

∂ Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders' needs and manage business risk.

∂ Implementation of Board approved operating plans and Board monitoring of the progress against budgets that is reviewed at every board meeting.

7.3 *The Company should establish an internal audit function*

The Company reviews its risk and internal control processes on a continual informal basis and work alongside auditors at half year and year end reviews to identify the Company's risks, systems and procedures. The Company may also seek independent advice to assist with the identification of risks and processes if and when required. The Board considers that this process is appropriate given the size and the complexity of the Group's affairs. It is not considered necessary to have an internal audit function. Nonetheless it remains committed to effective management and control of these factors.

7.4 *The Company should disclose whether it has any material exposure to economic, environmental and social sustainability risks and how it manages or intends to manage those risks*

The nature of the Group's exploration operations are such that it could be seen to be constantly exposed to economic, environmental and social risks. The Board and Management have respect for the rights and beliefs of all stakeholders and it is part of the Group's culture to have open, honest and constant two way communication with stakeholders and to operate fully within the laws of the jurisdictions the Group operates within. The Group maintains high standards with regards its environmental and social practices and is constantly striving to improve its engagement and information processes. The Board and Management will continue to monitor these risks to the Group.

CORPORATE GOVERNANCE STATEMENT (cont'd)

Principle 8: Remunerate fairly and responsibly

8.1 *The Board should establish a remuneration committee*

The Board as a whole may appoint independent a working group comprising consultants, Directors and/or Company Secretary to review and make recommendations to the board in relation to the remuneration framework, identify candidates and assess their skills in deciding whether an individual has the potential to add value to the Company. The Board considers that this process is appropriate given the size and the complexity of the Group's affairs. It is not considered necessary to have a separate nomination or remuneration committee. Until the situation changes the Board of Hannans will carry out any necessary remuneration committee functions.

Independent Professional Advice

Directors of the Company are expected to exercise considered and independent judgement on matters before them and may need to seek independent professional advice. A director with prior written approval from the Chairman may, at the Group's expense obtain independent professional advice to properly discharge their responsibilities.

Managing Director (MD) and Group Accountant Certifications

The MD and Group Accountant provide the following declaration to the Board in respect of each quarter, half and full year financial period:

- that Hannans financial records have been properly maintained;
- that Hannans' financial statements, in all material respects, are complete and present a true and fair view of the financial condition and operational results of Hannans and the Group and are in accordance with the relevant accounting standards;
- that the financial statements are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- that Hannans' risk management and internal compliance and control systems are operating effectively in all material respects.

COMPLIANCE

Significant Changes in State of Affairs

Other than those disclosed in this annual report no significant changes in the state of affairs of the Group occurred during the financial year.

Significant Events after the Balance Date

Subsequent to period end and as part of the legal binding unconditional agreement entered into with Mine Builder Pty Ltd (MineBuilder) for the sale of gold rights on a mining lease announced to ASX on 12 March 2015, MineBuilder has requested for additional time to make the instalment payments. Hannans and MineBuilder have executed a Deed of General Security over MineBuilder's assets to protect Hannans' interests. Hannans has also received a fully executed off-market share transfer form for MineBuilder's equity interest in a gold mining project that is currently being refinanced; it is uncertain if the value of this security will cover the amount owed to Hannans. The sole director of MineBuilder has also undertaken to execute a personal guarantee for the amount owed to Hannans, in addition to the security provided by MineBuilder. The personal guarantee is currently being drafted and is expected to be signed within 7 days.

No other matters or circumstances besides those disclosed in note 27, have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or state of affairs of the Group in future financial years.

Likely developments and Expected Results

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the Group's operations.

Environmental Regulation and Performance

The Group is subject to significant environmental regulation in respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it's aware of and is in compliance with all environmental legislation. The Directors of the Group are not aware of any breach of environmental legislation for the year under review.

COMPLIANCE (cont'd)

Share options

As at the date of this report, there were 36,050,000 unissued ordinary shares under options (36,050,000 at the reporting date). Refer to the remuneration report for further details of the options outstanding.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Insurance of Directors and Officers

During or since the end of the financial year, the Company has paid premiums insuring all the Directors of Hannans Reward Ltd against costs incurred in defending conduct involving:

(a) A wilful breach of duty, and

(b) A contravention of sections 182 or 183 of the *Corporations Act 2001,*

as permitted by section 199B of the *Corporations Act 2001.*

The total amount of insurance contract premiums paid is $11,976.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Dividends

No dividends were paid or declared during the financial year and no recommendation for payment of dividends has been made.

Non–Audit Services

During the year Ernst & Young or any of its associated entities, the Group auditor, has performed other non-audit services in addition to its statutory duties. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young or any of its associated entities received or are due to receive $7,140 for the provision of tax compliance services.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 37.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors

Damian Hicks
Managing Director
Perth, Australia this 29th day of September 2015

Building a better working world

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Auditor's Independence Declaration to the Directors of Hannans Reward Limited

In relation to our audit of the financial report of Hannans Reward Ltd for the year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
29 September 2015

GB:ET:HANNANS:031

DIRECTORS' DECLARATION

The Directors declare that:

(a) in the Directors' opinion, subject to achieving the matters set out in note 2 to the financial report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards and International Financial Reporting Standards as disclosed in note 2 to the financial report and giving a true and fair view of the financial position and performance of the Group for the financial year ended 30 June 2015;

(c) the audited remuneration disclosures set out in the Directors' Report comply with the *Corporations Act and Regulations 2001*; and

(d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* for the financial year ended 30 June 2015.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors

Damian Hicks
Managing Director
Perth, Australia this 29th day of September 2015

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Independent auditor's report to the members of Hannans Reward Limited

Report on the financial report

We have audited the accompanying financial report of Hannans Reward Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor’s Independence Declaration, a copy of which is included in the directors’ report.

Opinion

In our opinion:

a. the financial report of Hannans Reward Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(a) in the financial report. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Hannans Reward Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
29 September 2015

GB:ET:HANNANS:030

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2015

	Note	2015 $	2014 $
Revenue	5(a)	50,630	150,925
Other income			
Other income	5(b)	452,691	901,348
Gain on disposal of shares	5(C)	–	9,750
Employee and contractors expenses	5(d)	(595,601)	(547,809)
Depreciation expense	5(e)	(28,680)	(36,026)
Consultants expenses		(7,704)	(213,992)
Interest expense		(2,337)	(3,000)
Occupancy expenses	5(f)	(92,702)	(616,789)
Marketing expenses		(5,853)	(11,700)
Exploration and evaluation expenses		(387,160)	(534,311)
Impairment of exploration and evaluation expenses		(28,275,372)	–
Transfer of available-for-sale revaluation reserve from other comprehensive income		(26,875)	–
Other expenses		(201,440)	(235,439)
Loss from continuing operations before income tax expense		**(29,120,403)**	**(1,137,043)**
Income tax benefit/(expense)	6	–	121,719
Loss from continuing operations attributable to members of the parent entity		**(29,120,403)**	**(1,015,324)**
Other comprehensive income/(loss) for the year			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	19	(100,410)	(148,619)
Net change in fair value of available-for-sale financial assets		2,335	895
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		26,875	(7,800)
Total items that may be reclassified subsequently to profit or loss		**(71,200)**	**(155,524)**
Items that will not be reclassified to profit or loss		–	–
Total other comprehensive loss for the year		**(71,200)**	**(155,524)**
Total comprehensive loss for the year		**(29,191,603)**	**(1,170,848)**
Net loss attributable to the parent entity		**(29,120,403)**	**(1,015,324)**
Total comprehensive loss attributable to the parent entity		**(29,191,603)**	**(1,170,848)**
Loss per share:			
Basic (cents per share)	21	(4.03)	(0.14)
Diluted (cents per share)	21	(4.03)	(0.14)

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Note	2015 $	2014 $
Current assets			
Cash and cash equivalents	28(a)	345,497	695,163
Trade and other receivables	10	76,590	708,297
Other financial assets	11	5,526	3,191
Total current assets		427,613	1,406,651
Non-current assets			
Other receivables	12	154,275	236,852
Property, plant and equipment	13	29,681	59,693
Other financial assets	11	168,985	255,728
Exploration and evaluation expenditure	14	1,356,340	29,688,557
Total non-current assets		1,709,281	30,240,830
TOTAL ASSETS		2,136,894	31,647,481
Current liabilities			
Trade and other payables	15	1,737,519	1,975,709
Provisions	16	244,585	186,077
Income tax payable		–	625
Other financial liabilities	17	2,884	4,596
Total current liabilities		1,984,988	2,167,007
Non-current liabilities			
Provisions	16	78,343	287,806
Other financial liabilities	17	–	2,882
Total non-current liabilities		78,343	290,688
TOTAL LIABILITIES		2,063,331	2,457,695
NET ASSETS		73,563	29,189,786
Equity			
Issued capital	18	44,577,512	44,577,512
Reserves	19	(237,970)	(242,150)
Accumulated losses	20	(44,265,979)	(15,145,576)
TOTAL EQUITY		73,563	29,189,786

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2015

		Attributable to equity holders					
For the year ended 30 June 2015	Note	Ordinary Shares $	Option Reserves $	Revaluation Reserves $	Foreign Currency Translation Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2014		44,577,512	–	(29,210)	(212,940)	(15,145,576)	29,189,786
Total comprehensive income							
Loss for the period	20	–	–	–	–	(29,120,403)	(29,120,403)
Other comprehensive loss for the period	19	–	–	29,210	(100,410)	–	(71,200)
Total comprehensive loss for the period		–	–	29,210	(100,410)	(29,120,403)	(29,191,603)
Transactions with owners recorded direct to equity							
Issue of options	19	–	75,380	–	–	–	75,380
Share issue expense		–	–	–	–	–	–
Total transactions with owners		–	75,380	–	–	–	75,380
Balance as at 30 June 2015		44,577,512	75,380	–	(313,350)	(44,265,979)	73,563

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2014

		Attributable to equity holders					
For the year ended 30 June 2014	Note	Ordinary Shares $	Option Reserves $	Revaluation Reserves $	Foreign Currency Translation Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2013		44,579,980	1,368,809	(22,305)	(64,321)	(15,499,061)	30,363,102
Total comprehensive income							
Loss for the period	20	–	–	–	–	(1,015,324)	(1,015,324)
Other comprehensive loss for the period	19	–	(1,368,809)	(6,905)	(148,619)	1,368,809	(155,524)
Total comprehensive loss for the period		–	(1,368,809)	(6,905)	(148,619)	353,485	(1,170,848)
Transactions with owners recorded direct to equity							
Issue of shares		–	–	–	–	–	
Share issue expense	18	(2,468)	–	–	–	–	(2,468)
Total transactions with owners		(2,468)	–	–	–	–	(2,468)
Balance as at 30 June 2014		**44,577,512**	**–**	**(29,210)**	**(212,940)**	**(15,145,576)**	**29,189,786**

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2015

	Note	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		135,630	287,678
Receipt of exclusive due diligence fee		559,498	529,438
Payments for exploration and evaluation		(336,455)	(1,017,376)
Payments to suppliers and employees		(878,136)	(1,271,572)
Interest received		10,407	38,134
Interest paid		(1,838)	(4,205)
Income tax paid		–	(4,422)
Net cash used in operating activities	28(b)	(510,894)	(1,442,325)
Cash flows from investing activities			
Payments for exploration and evaluation		(161,630)	(577,164)
Proceeds on sale of investment securities		–	19,689
Proceeds on sale of fixed assets		3,641	4,270
Amounts (advanced to)/received from related parties		–	(29,444)
Amounts (advanced to)/received from outside entities		86,743	(5,232)
Payment for property, plant and equipment		–	(197)
Release of security bonds		86,000	23,794
Receipt of payment for first tranche for the sale of Discovery Zone exploration concession (note 15)		–	1,000,000
Receipt of payment for first tranche for the Joint Venture Cooperation on Pahtohavare (note 14)		151,100	–
Net cash provided by investing activities		165,854	435,716
Cash flows from financing activities			
Payment for share issue costs		–	(2,468)
Repayment of borrowings/finance leases		(5,093)	(104,231)
Net cash (used in)/provided by financing activities		(5,093)	(106,699)
Net increase/(decrease) in cash and cash equivalents		(350,133)	(1,113,308)
Cash and cash equivalents at the beginning of the financial year		695,163	1,809,204
Effects of exchange rate fluctuations on cash held		467	(733)
Cash and cash equivalents at the end of the financial year	28(a)	345,497	695,163

The accompanying notes form part of the financial statements.

1. General Information

The consolidated financial statements of Hannans Reward Ltd (the Company or Hannans) and its subsidiaries (collectively, the Group) for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the Directors on 29 September 2015.

Hannans Reward Ltd is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are mineral exploration and project development which is further described in the Directors' Report. Information on other related party relationships is provided in note 26.

2. Summary of significant accounting policies

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report includes the financial statements of the Hannans Reward Ltd and its subsidiaries.

The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(a) Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical cost, except for certain financial assets and liabilities which are carried at fair value. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Separate financial statements for Hannans Reward Ltd as an individual entity are no longer presented as the consequence of a change to the *Corporations Act 2001*, however, required financial information for Hannans Reward Ltd as an individual entity is included in note 31.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented in these financial statements for the year ended 30 June 2014.

<u>Going concern basis of preparation</u>

The Group recorded a loss of $29,120,403 (2014: loss $1,015,324) for the year ended 30 June 2015 and had a cash outflow from operating and investing activities of $345,040 (2014: $1,006,609 outflow) during the twelve month period. The Group had cash and cash equivalents at 30 June 2015 of $345,497 (2014: $695,163) and has a working capital deficit of $1,557,375 (2014: $760,356 deficit), which includes a $1 million payable to Avalon Minerals Limited ('Avalon'). Cash on hand at 17 September 2015 was $281,451.

The Group's cashflow forecast for the period ended 31 December 2016 reflects that the Group will need to raise additional working capital during the quarter ending 31 December 2015 to enable it to continue to meet its current committed administration and exploration expenditure.

Notwithstanding the above the directors consider they have a reasonable basis to prepare the financial statements on a going concern basis after having regard to the following:

(i) The $1,000,000 payable to Avalon is only triggered if the grant of the Discovery Zone prospect to Avalon is not approved by the Mining Inspectorate in Sweden by 8 October 2015. If the repayment is triggered, Hannans have 90 days from the date of receiving written notice from Avalon requesting the refund be paid to settle the obligation by either repayment of $1,000,000 in cash or by the transfer of assets of similar value to Avalon.

(ii) Creditors with an outstanding balance at 30 June 2015 of $464,124 advised the Group that they will not seek repayment of monies owing to them until the Group has the financial capacity to do so. The creditors represent key management personnel of the Group.

(iii) The Group are currently in discussions with a number of parties relating to the sale or partial sale of a number of assets with the objective of providing the Group with additional working capital.

In the event that the Group is unable to raise additional funds to meet the Group's ongoing working capital requirements when required, there is a significant uncertainty as to whether the Group will be able to meet its debts as and when they fall due and thus continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

2. Statement of significant accounting policies (cont'd)

(b) New Accounting Standards for Application in the Current Financial Year and Future Periods

New standards, interpretations and amendments adopted by the Group during the financial year

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2014, except for the adoption of new standards and interpretations effective as of 1 July 2014 as detailed below. The nature and the impact of each new standard or amendment are described below:

∂ *AASB 132 Offsetting Financial Assets and Financial Liabilities and AASB 2012-3 Amendments to Australian Accounting Standards*

AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. Adoption of AASB 2012-3 did not impact the Group financial statements.

∂ *Amendments AASB 2013-3 to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets*

AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The Group have disclosed the required information on the significant assets or liabilities carried at recoverable amount.

∂ *AASB 1031 Materiality*

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality.

AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. Adoption of the amendment did not impact the Group financial statements.

∂ *AASB 2013-9 (Part B) Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*

The Standard contains three main parts and makes amendments to a number Standards and Interpretations.

Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.

Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.

Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments. Adoption of AASB 2013-9 did not impact the Group financial statements.

∂ *AASB 2014-1 (Part A) Annual Improvements 2010-2012 Cycle*

AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle.

Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items:

- AASB 2 – Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'.
- AASB 3 – Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137.
- AASB 8 – Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets.
- AASB 116 & AASB 138 – Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts.
- AASB 124 – Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.

Adoption of AASB 2014-1 did not impact the Group financial statements.

2. Statement of significant accounting policies (cont'd)

(b) New Accounting Standards for Application in the Current Financial Year and Future Periods (cont'd)

New standards, interpretations and amendments adopted by the Group during the financial year (cont'd)

∂ *AASB 2014-1 (Part A) Annual Improvements 2011-2013 Cycle*

- AASB13 – Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132.
- AASB 140 – Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.AASB 119 (Part B) Employee Benefits; and

Adoption of AASB 2014-1 did not impact the Group financial statements.

∂ *AASB 119 Defined Benefits Plans: Employee Contributions and Amendments to Australian Accounting Standards (Part B)*

AASB 2014-Part B makes amendments in relation to the requirements for contributions from employees or third parties that are set out in the formal terms of the benefit plan and linked to service.

The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

Adoption of amendment did not impact the Group.

∂ *AASB 1053 Application of Tiers of Australian Accounting Standards.*

The Standard makes amendments to AASB 1053 Application of Tiers of Australian Accounting Standards to:

- clarify that AASB 1053 relates only to general purpose financial statements;
- make AASB 1053 consistent with the availability of the AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors option in AASB 1 First-time Adoption of Australian Accounting Standards;
- clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 108 option in AASB 1; permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather that applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its most recent previous annual special purpose financial statements; and
- specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.

Adoption of amendment did not impact the Group.

New standards issued but not yet effective

The following standards and interpretations have been issued by the AASB but are not yet effective and have not been early adopted by the Group for the period ended 30 June 2015:

Reference / Title	Summary	Application date of standard	Application date for Group
AASB 9 *Financial Instruments*	AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.	1 January 2018	1 July 2018

2. Statement of significant accounting policies (cont'd)

(b) New Accounting Standards for Application in the Current Financial Year and Future Periods (cont'd)

New standards issued but not yet effective (cont'd)

Reference / Title	Summary	Application date of standard	Application date for Group
AASB 9 (cont'd) *Financial Instruments*	Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: • The change attributable to changes in credit risk are presented in other comprehensive income (OCI); and • The remaining change is presented in profit or loss. AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.		

2. Statement of significant accounting policies (cont'd)

(b) New Accounting Standards for Application in the Current Financial Year and Future Periods (cont'd)

New standards issued but not yet effective (cont'd)

Reference / Title	Summary	Application date of standard	Application date for Group
AASB 2014-3 *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations* *[AASB 1 & AASB 11]*	AASB 2014-3 amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. This Standard also makes an editorial correction to AASB 11	1 January 2016	1 July 2016
AASB 2014-4 Amendments to AASB 16 and AASB 38 *Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 16 and AASB 38)*	AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 July 2016
AASB 15 *Revenue from Contracts with Customers*	In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue—Barter Transactions Involving Advertising Services). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Early application of this standard is permitted. AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.	1 January 2017	1 July 2018

Reference / Title	Summary	Application date of standard	Application date for Group
AASB 15 (cont'd) *Revenue from Contracts with Customers*	The International Accounting Standards Board (IASB) in its July 2015 meeting decided to confirm its proposal to defer the effective date of IFRS 15 (the international equivalent of AASB 15) from 1 January 2017 to 1 January 2018. The amendment to give effect to the new effective date for IFRS 15 is expected to be issued in September 2015. At this time, it is expected that the AASB will make a corresponding amendment to AASB 15, which will mean that the application date of this standard for the Group will move from 1 July 2017 to 1 July 2018.		
AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require: (a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and (b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. AASB 2014-10 also makes an editorial correction to AASB 10. AASB 2014-10 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.	1 January 2016	1 July 2016
AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle*	The subjects of the principal amendments to the Standards are set out below: *AASB 5 Non-current Assets Held for Sale and Discontinued Operations:* • Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or vice versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. *AASB 7 Financial Instruments: Disclosures:* • Servicing contracts – clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7. • Applicability of the amendments to AASB 7 to condensed interim financial statements – clarify that the additional disclosure required by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134. *AASB 119 Employee Benefits:* • Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.	1 January 2016	1 July 2016

2. Statement of significant accounting policies (cont'd)

(b) New Accounting Standards for Application in the Current Financial Year and Future Periods (cont'd)

New standards issued but not yet effective (cont'd)

Reference / Title	Summary	Application date of standard	Application date for Group
AASB 2015-1 (cont'd) *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle*	*AASB 134 Interim Financial Reporting:* Disclosure of information 'elsewhere in the interim financial report' –amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.		
AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 July 2016
AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	1 July 2015

Impact of the above standards is yet to be determined.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments with original maturity of less than 3 months, net of outstanding bank overdrafts.

(d) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to reporting date.

(e) Financial assets

Financial assets are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'available–for–sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss

The Group classifies certain shares as financial assets at fair value through profit or loss. Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

2. Statement of significant accounting policies (cont'd)

(e) Financial assets (cont'd)

Available–for–sale financial assets

Shares and options held by the Group are classified as being available–for–sale and are stated at fair value less impairment. Gains and losses arising from changes in fair value are recognised directly in the available–for–sale revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the available–for–sale revaluation reserve is included in profit or loss for the period.

Loans and receivables

Subsequent to initial recognition, trade receivables, loans, and other receivables are recorded at amortised cost using the effective interest rate method less impairment.

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

(f) Financial instruments issued by the Company

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(g) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(h) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash–generating unit to which the asset belongs. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of comprehensive income.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash–generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash–generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

2. Statement of significant accounting policies (cont'd)

(i) Tax (cont'd)

Deferred tax

Deferred tax is accounted for using the full liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax consolidation

Legislation to allow groups, comprising a parent entity and its Australian resident wholly owned entities, to elect to consolidate and be treated as a single entity for income tax purposes was substantively enacted on 21 October 2002. The Company and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation on 1 July 2008 with Hannans Reward Ltd as the head entity.

(j) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is expensed immediately to the profit and loss where the applicable area of interest does not contain a JORC compliant mineral resource. Where the area of interest contains a JORC compliant mineral resource exploration and evaluation expenditure is capitalised. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

i. such costs are expected to be recouped through successful development and exploitation or from sale of the area; or

ii. exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit or loss in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Notwithstanding the fact that a decision not to abandon an area of interest has been made, based on the above, the exploration and evaluation expenditure in relation to an area may still be written off if considered appropriate to do so.

(k) Joint arrangements

Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

The Group's investments in joint ventures are accounted for using the equity method.

2. Statement of significant accounting policies (cont'd)

(k) Joint arrangements (cont'd)

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired.

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

<u>Joint operations</u>

The Group's recognises its interest in joint operations by recognising its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

(l) Payables

Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

(m) Foreign currency translation

<u>Functional and presentation currency</u>

The consolidated financial statements are presented in Australian Dollars, which is Hannans Reward Ltd's functional and presentation currency.

<u>Transactions and balance</u>

Transactions in foreign currencies are initially recorded in the functional currency (Australian Dollars (AUD), Swedish Krona (SEK) and Great Britain Pound (GBP)) by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

2. Statement of significant accounting policies (cont'd)

(m) Foreign currency translation (cont'd)

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(n) Principles of consolidation

The consolidated financial statements comprise the financial statements of Hannans Reward Ltd and its subsidiaries as at and for the period ended 30 June 2015 (the Group). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary;
- De-recognises the carrying amount of any non-controlling interests;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

A list of subsidiaries appears in note 4 to the financial statements.

(o) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line or diminishing value basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

2. Statement of significant accounting policies (cont'd)

(o) Plant and equipment (cont'd)

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate (%)
• Office furniture	10.00 – 20.00
• Building	2.50
• Office equipment	7.50 – 66.67
• Motor vehicles	16.67 – 25.00

(p) Provisions

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation as a result of a past event at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(q) Revenue recognition

Dividend and interest revenue

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Service fee

Revenue from service fee is recognised when the service has been rendered in proportion to the stage of completion. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due and the cost incurred or to be incurred cannot be reliably measured.

(r) Share–based payments

Equity–settled share–based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black and Scholes model or Monte-Carlo simulation model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non–transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity–settled share–based payments is expensed on a straight–line basis over the vesting period, based on the entity's estimate of shares that will eventually vest.

For cash–settled share–based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(s) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction
to sell the asset or transfer the liability takes place either:

∂ In the principal market for the asset or liability; or

∂ In the absence of a principal market, in the most advantageous market for the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

∂ Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

∂ Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or

∂ Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2. Statement of significant accounting policies (cont'd)

(t) Segment reporting policy

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of comprehensive income and statement of financial position.

3. Critical accounting estimates and judgements

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Key estimates — impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined taking into consideration the assessment of the global market and with the decrease in valuations being attributed to exploration and mining companies. The Board has decided to impair the capitalised exploration expenditure of $28,275,372 (2014: Nil) in line with the current transactions of the Group as at 30 June 2015. Exploration, evaluation and development expenditure incurred may either be expensed immediately to the profit and loss or be accumulated in respect of each identifiable area of interest.

Key judgements — exploration and evaluation expenditure

The future recoverability of exploration and evaluation expenditure capitalised on the acquisition of areas of interest and/or capitalised JORC compliant mineral resource expenditure are dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. To the extent that capitalised acquisition costs and/or capitalised JORC compliant mineral resource expenditure are determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

Key judgements — share–based payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black Scholes and/or Monte-Carlo simulation model. The related assumptions detailed in note 8. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amount of assets and liabilities within the next annual reporting period but may impact expenses and equity.

4. Subsidiaries

The consolidated financial statements of the Group include:

Name of entity	Principal Activities	Country of incorporation	% Ownership interest	
			2015	2014
Parent entity:				
Hannans Reward Ltd (i)	Exploration	Australia		
Subsidiaries:				
HR Subsidiary Pty Ltd (ii)	Holding company	Australia	100	100
HR Forrestania Pty Ltd (iii)	Exploration	Australia	100	100
HR Equities Pty Ltd (iv)	Equities holding	Australia	100	100
Corporate Board Services Pty Ltd (v)	Service provider	Australia	100	100
Scandinavian Resources Pty Ltd (vi)	Exploration	Australia	100	100
SR Equities Pty Ltd (vii)	Holding company	Australia	100	100
Kiruna Iron Ltd (viii)	Holding company	United Kingdom	100	100
Kiruna Iron AB (ix)	Exploration	Sweden	100	100
Scandinavian Iron AB (x)	Exploration	Sweden	100	100
Scandinavian Resources AB (xi)	Exploration	Sweden	100	100

(i) Hannans Reward Ltd is the ultimate parent entity. All the companies are members of the group.
(ii) The 100% interest in HR Subsidiary Pty Ltd is held by the parent entity.
(iii) The 100% interest in HR Forrestania Pty Ltd is held via HR Subsidiary Pty Ltd.
(iv) The 100% interest in HR Equities Pty Ltd is held by the parent entity.
(v) The 100% interest in Corporate Board Services is held via HR Equities Pty Ltd.
(vi) The 100% interest in Scandinavian Resources Pty Ltd is held by the parent entity.
(vii) The 100% interest in SR Equities Pty Ltd is held via Scandinavian Resources Pty Ltd.
(viii) The 100% interest in Kiruna Iron Ltd is held via SR Equities Pty Ltd.
(ix) The 100% interest in Kiruna Iron AB is held via Kiruna Iron Ltd.
(x) The 100% interest in Scandinavian Iron AB is held via Kiruna Iron AB.
(xi) The 100% interest in Scandinavian Resources AB is held via Scandinavian Resources Pty Ltd.
Refer to page 32 for the Corporate Structure.

	2015 $	2014 $
5. Income/(expenses) from operations		
(a) Revenue		
Interest revenue		
Bank	4,325	35,525
Loans	–	–
Service fees	46,305	115,400
Total revenue	50,630	150,925
(b) Other Income		
Prospect transaction fees	335,263	717,899
Other	117,428	183,449
Total other income	452,691	901,348
(c) Gain on disposal of shares		
Proceeds on disposal of shares (net of broker fees)	–	19,689
Less: Carrying fair value of shares disposed	–	(16,439)
Transfer from fair value reserve of shares sold	–	6,500
Total gain on disposal of shares	–	9,750

	2015 $	2014 $
5. Income/(expenses) from operations (cont'd)		
(d) Employee benefits expense		
Salaries and wages	486,110	513,767
Post employment benefits:		
Defined contribution plans	34,111	34,042
Share-based payments:		
Equity settled share-based payments	75,380	-
Total employee benefits expense	**595,601**	**547,809**
(e) Depreciation of non-current assets	28,680	36,026
(f) Operating lease rental expenses:		
Minimum lease payments	252,764	300,967
Rent provision (refer note 16)	(160,062)	315,822
Total operating lease rental expenses	**92,702**	**616,789**

6. Income taxes

	2015 $	2014 $
Income tax recognised in profit or loss		
Current income tax		
Current income tax charge	-	-
Overprovision of current tax in prior year	-	121,719
Deferred tax		
Release of deferred tax assets previously recognised to offset a deferred tax liability arising on unrealised gains on available-for-sale investments	-	-
Total tax benefit/(expense)	**-**	**121,719**

The prima facie income tax benefit/(expense) on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	2015 $	2014 $
Loss from operations	(29,120,403)	(1,137,043)
Income tax benefit calculated at 30%	(8,736,121)	(341,113)
Effect of tax rates in foreign jurisdictions	35,520	105,994
Effect of expenses that are not deductible in determining taxable profit	8,505,290	3,803
Overprovision of current tax in prior year	-	121,719
Effect of FCTR expensed to P&L (Swedish entities)	(46,756)	(391,613)
Effect of net deferred tax asset not recognised as deferred tax assets	242,067	611,632
Change in recognised deductible temporary differences	-	11,297
Income tax benefit/(expense) attributable to operating loss	**-**	**121,719**

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

	2015 $	2014 $
6. Income taxes (cont'd)		
Deferred tax related to items charged or credited directly to Other Comprehensive Income during the year:		
Unrealised loss on available-for-sale investments	–	–
	–	–

	Statement of Financial Position		Statement of Comprehensive Income	
	2015 $	2014 $	2015 $	2014 $
Deferred Income Tax				
Deferred income tax at 30 June relates to the following				
Deferred tax liabilities				
Prepayments	4,546	6,477	(1,931)	2,383
Unearned income	(988)	(1,925)	937	783
Deferred tax assets				
Accruals	104,795	74,136	30,659	993
Provision for employee entitlements	38,717	38,045	672	(2,626)
Provision – other	46,848	94,747	(47,899)	94,747
Capital raising costs	59,957	105,319	(45,362)	24,329
Revaluation reserve	8,063	–	8,063	–
Revenue tax losses	908,559	611,632	296,927	611,632
Deferred tax assets not brought to account as realisation is not probable	(1,170,497)	(928,431)		
	–	–		
Deferred tax assets not recognised			(242,066)	(732,241)
Deferred tax (income)/expense			–	–

Tax consolidation

Relevance of tax consolidation to the Group

Legislation to allow groups, comprising a parent entity and its Australian resident wholly owned entities, to elect to consolidate and be treated as a single entity for income tax purposes was substantively enacted on 21 October 2002. The Company and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation.

7. Key management personnel disclosures

(a) Details of key management personnel

The Directors and Executives of Hannans Reward Ltd during the year were:

Directors

- Damian Hicks
- Jonathan Murray
- Markus Bachmann
- Olof Forslund

Executives

- Amanda Scott
  (Director of Sweden subsidiaries)

	2015 $	2014 $
7. Key management personnel disclosures (cont'd)		
(b) Key management personnel compensation		
The aggregate compensation made to key management personnel of the Company and the Group is set out below.		
Short-term employee benefits	522,254	588,404
Share based payments	49,136	–
Long-term employee benefits	4,721	2,495
Post-employment benefits	113,994	125,312
Other benefits	(9,253)	33
Total key management personnel compensation	680,852	716,244

The compensation of each member of the key management personnel of the Group is set out in the Directors Remuneration report on pages 21 to 26.

8. Share-based payments

The Company has an ownership-based compensation arrangement for employees of the Group.

Each option issued under the arrangement converts into one ordinary share of Hannans Reward Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. Options neither carry rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The number of options granted is at the sole discretion of the Directors.

Incentive options issued to Directors (executive and non-executive) are subject to approval by shareholders and attach vesting conditions as appropriate.

The following share-based payment arrangements were in existence during the current and comparative reporting periods:

Options series	Number	Grant date	Expiry date	Exercise price Cents
20 November 2016	12,016,664	20 November 2014	20 November 2019	VWAP* for 10 trading days after 20 Nov 2016 (+) 50% premium
20 November 2015	12,016,668	20 November 2014	20 November 2018	VWAP* for 10 trading days after 20 Nov 2015 (+) 50% premium
20 November 2014	12,016,668	20 November 2014	20 November 2017	0.8
15 September 2013	300,000	29 June 2012	15 September 2013	7

** VWAP = Volume Weighted Average Price*

Details of options over ordinary shares in the Company provided as remuneration to each director during the year are set out in the Directors Remuneration report on pages 21 to 26. Further information on remuneration to Hannans' directors are set out in note 26.

The following reconciles the outstanding share options granted at the beginning and end of the financial year:

	2015		2014	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance at beginning of the financial year	–	–	300,000	0.07
Granted during the financial year (i)	36,050,000	0.015*	–	–
Expired during the financial year	–	–	(300,000)	(0.07)
Cancelled during the financial year	–	–	–	–
Balance at end of the financial year (ii)	**36,050,000**	**0.015**	–	–
Exercisable at end of the financial year	**12,016,668**	**0.008**	–	–

8. Share-based payments (cont'd)

(i) Issued during the financial year

On 20 November 2014, 36,050,000 share options were granted to senior executives and employees of the Group. The options terms and conditions are shown below.

Details	Tranche 1	Tranche 2	Tranche 3	TOTAL
Number of options	12,016,668	12,016,668	12,016,664	36,050,000
Exercise price	0.8 cents	(i)	(i)	
Expiry date	20 Nov 2017	20 Nov 2018	20 Nov 2019	
Vesting date (ii)	20 Nov 2014	20 Nov 2015	20 Nov 2016	

(i) Exercise price will be calculated from the volume weighted average share price for the ten (10) trading days after the Vesting Date for each Tranche PLUS a premium of 50%. The Monte-Carlo simulation model was used for Tranche 2 and 3.

(ii) Senior executive and employees are entitled to the Options upon working for the Group to the vesting dates. Options that have vested prior to termination must be exercised within three months or they will lapse, unvested options will lapse immediately on termination.

The fair value of the options granted is issued and valued at the date of grant taking into account the terms and conditions upon which the options were granted using a Black Scholes model for Tranche 1. There is no cash settlement of the options.

The weighted average fair value of the options granted during the period was 0.015 cents (year ended 30 June 2014: Nil).

For the year ended 30 June 2015, the Group has recognised $75,380 of share-based payments transactions expense in the statement of profit or loss (30 June 2014: Nil).

(ii) Balance at end of the financial year

The share options outstanding at the end of the financial year had a weighted average exercise price of $0.015 (2014: Nil) and a weighted average remaining contractual life of 3.39 years (2014: Nil). No options were outstanding at the end of the prior year.

No options were exercised in the current year.

9. Remuneration of auditors

	2015 $	2014 $
The auditor of Hannans Reward Ltd is Ernst & Young.		
Audit or review of the financial report of the Group		
Australia	34,710	20,900
UK	10,942	(2,126)
Sweden	3,013	18,504
Tax compliance services in relation to the Group	7,140	19,770
	55,805	57,048

10. Current trade and other receivables

	2015 $	2014 $
Accounts receivable (i)	3,571	99,042
Net goods and services tax (GST) receivable	12,010	13,699
Other	61,009	595,556
	76,590	708,297

(i) As of 30 June 2015, current trade and other receivables of $1,797 were past due but not impaired.

	2015 $	2014 $
11. Other financial assets		
Current		
Available-for-sale investments		
Quoted equity shares (i)	5,525	3,190
Unquoted equity shares (ii)	1	1
Total available-for-sale investments	5,526	3,191

(i) Investments in listed entities include the following:
  (a) 20,000 ordinary fully paid shares in Brighton Mining Group Ltd;
  (b) 20,000 ordinary fully paid shares in Lithex Resources Ltd; and
  (c) 125,000 ordinary fully paid shares in Naracoota Resources Ltd. These shares were sold on 10 July 2015.

(ii) HR Subsidiary Pty Ltd (a wholly owned subsidiary of Hannans Reward Ltd) holds 1 share at $1 in Equity & Royalty Investments Ltd. Equity & Royalty Investments Ltd has 100 million ordinary shares on issue. The principal activity of the Company is the investment in equity and royalties in other companies with the objective of realising gains through equity and generating an income stream through the royalties.

	2015 $	2014 $
Non-current		
Loans to director (i)	168,985	168,985
Loan to outside entity (ii)	–	86,743
Total non-current other financial assets	168,985	255,728

(i) Details of the loan are provided in the remuneration report.

(ii) The loan arose on the deconsolidation of Errawarra Pty Ltd (Errawarra). The loan is unsecured, non-interest bearing and has no fixed terms of repayment. Errawarra has fully repaid the loan for the year ended 30 June 2015.

12. Non–current other receivables

	2015 $	2014 $
Other receivables – bonds	154,275	236,852
	154,275	236,852

13. Property, plant and equipment

	Motor Vehicles at cost $	Office furniture and equipment at cost $	Building at cost $	Total $
Cost				
Balance at 1 July 2013	61,239	300,440	12,428	374,107
Additions	–	196	–	196
Disposals	–	(5,103)	–	(5,103)
Exchange differences	(2,179)	(3,683)	–	(5,862)
Balance at 1 July 2014	59,060	291,850	12,428	363,338
Additions	–	–	–	–
Disposals	(3,590)	(6,002)	–	(9,592)
Exchange differences	(113)	(191)	–	(304)
Balance at 30 June 2015	55,357	285,657	12,428	353,442

13. Property, plant and equipment (cont'd)

	Motor Vehicles at cost $	Office furniture and equipment at cost $	Building at cost $	Total $
Accumulated depreciation and impairment				
Balance at 1 July 2013	32,971	232,523	9,218	274,712
Depreciation expense	12,529	23,417	80	36,026
Disposals on deconsolidation	–	(1,793)	–	(1,793)
Exchange differences	(1,887)	(3,413)	–	(5,300)
Balance at 1 July 2014	43,613	250,734	9,298	303,645
Depreciation expense	11,432	17,170	78	28,680
Disposals	(3,051)	(5,561)	–	(8,612)
Exchange differences	94	(46)	–	48
Balance at 30 June 2015	52,088	262,297	9,376	323,761
Net book value				
As at 30 June 2014	15,447	41,116	3,130	59,693
As at 30 June 2015	3,269	23,360	3,052	29,681

	2015 $	2014 $
Aggregate depreciation allocated during the year:		
Motor vehicles	11,432	12,529
Office furniture and equipment	17,170	23,417
Building	78	80
	28,680	36,026

Office equipment is pledged as security for related finance lease liabilities as disclosed in note 17.

14. Exploration and evaluation expenditure

	2015	2014
Balance at beginning of financial year	29,688,557	29,201,181
Exploration expenditure during the period	161,630	577,164
Foreign currency translation movement during the period	(67,375)	(89,788)
LESS: Expenditure recovered	(151,100)	–
LESS: Impairment costs (i)	(28,275,372)	–
Balance at end of financial year	1,356,340	29,688,557

(i) During the year ended 30 June 2015, Hannans recognised impairment losses in respect of capitalised exploration and evaluation to the extent of $28,275,372 (2014: NIL). The recoverability of the carrying amount of the capitalised acquisition costs and the exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The impairment of the exploration and evaluation expenditure has arisen as a result of the decrease in valuations being attributed to exploration and mining companies globally and the potential withdrawal from vendor agreements to acquire permits, relinquishments of licences and applications for exemptions of minimum expenditure requirements that have yet to be approved.

The estimated recoverable amount of the Kiruna Project was determined to be $1,132,693 on the basis of fair value less costs to sell. Comparable resource multiples for Exploration and Evaluation companies range from $0.00/t to $0.22/t of contained Fe, with a median and average of $0.04/t and $0.06/t of contained Fe, respectively. Based on the Hannan's total contained Fe of 113Mt, this implies a multiple of $0.01/tonne of contained iron.

The estimated recoverable amount of the Pahtohavare Project was determined to be $223,647 on the basis of fair value less costs to sell. Pre-development copper assets in comparable markets have multiples ranging from $6/t to $284/t of contained copper equivalent. Based on Hannans total contained copper equivalents of 52,900t, this implies a multiple of $4.23/t of contained copper equivalent.

14. Exploration and evaluation expenditure (cont'd)

Considering no exploration expenditure, other than rental and incidental land costs, has been budgeted for the financial year ended 30 June 2016, Hannans has taken the conservative view that the fair value less costs to sell for the projects at 30 June 2015 are at the low end of the ranges.

The valuation methodology undertaken by the Group was determined with reference to comparable exploration companies in the industry and their respective contained iron and copper resource multiples. All comparable companies are primarily focused on magnetite projects within Australia. Although the Kiruna Project and Pahtohavare Project are located in Sweden, many of the same risks are applicable to the projects in both countries. The estimated recoverable amount is classified as level 3 in the fair value hierarchy and is sensitive to the movements in the iron ore and copper prices.

Hannans entered into a legally binding unconditional agreement with Mine Builder Pty Ltd for the sale of Hannans' interest in gold rights on Mining Lease M77/544 for $800,000. The consideration for the gold rights was to be paid via four cash instalments between March 2015 and December 2015. Mine Builder Pty Ltd has requested additional time to make the payments pursuant to the binding unconditional agreement.

Hannans has executed a Deed of General Security with Mine Builder Pty Ltd over 100% of that company's assets to protect Hannans' interests and has received a fully executed off-market share transfer form for Mine Builder's interest in a large gold mining project. This transfer will be held as security for the payments owing under the gold rights agreement.

No cash instalment payments which are past due have been received by the Company as at the reporting date. The Company has been in close contact with Mine Builder to recover the cash instalment payments.

15. Current trade and other payables

	2015 $	2014 $
Trade payables (i)	183,881	101,469
Accruals (ii)	516,953	535,746
Other payable (iii)	1,036,685	1,338,494
	1,737,519	1,975,709

(i) The average credit period on purchases of goods and services is 30 days. No interest is charged on the trade payables for the first 30 to 60 days from the date of invoice. Thereafter, interest is charged at various penalty rates. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

(ii) Mr Damian Hicks' total deferred salary entitlement from 1 April 2013 to 31 March 2015 of $204,170 and the Non-Executive Director's fee entitlement from 1 January 2014 to 30 June 2015 of $165,113 are included in the above amount.

(iii) In May 2013, Hannans entered into a Heads of Agreement ('HOA') with Avalon Minerals Limited ('Avalon') for the sale of the Discovery Zone copper-iron prospect in Sweden for $4 million. On 10 May 2013, Hannans made an application with the Inspectorate to transfer the tenements to Avalon which was granted on 23 May 2013.

On 1 October 2013, Hannans reached an agreement with Avalon that varies the HOA. The variation deleted and replaced clause 3 of the original HOA with the following:

- $1 million upon successful completion of a rights issue by Avalon or no later than 31 October 2013; and
- $3 million when the Mining Inspectorate of Sweden has formally granted the Discovery Zone Exploitation Concession to Avalon.

On 8 October 2013 Hannans confirmed that Avalon has paid $1 million pursuant to the varied HOA.

If the Discovery Zone exploration concession is not granted or not granted within 2 years of the first payment date (being 8 October 2015) or a later date to be agreed by the parties, Hannans is required to refund the first $1 million received either in cash or in an equivalent asset from Avalon and Avalon will be required to transfer title in the Discovery Zone back to Hannans.

If the Discovery Zone exploration concession is granted, Hannans will receive a further $3 million within five business days of the exploitation concession being granted. The $3 million receivable from Avalon has not been recognised in the financial report as it is subject to the satisfaction of a condition that cannot be regarded as virtually certain. When the realisation of the receivable is virtually certain, i.e. when the Discovery Zone exploration concession has been granted, the receivable will be recognised in the financial report.

16. Provisions

	2015 $	2014 $
Current		
Employee benefits	159,660	110,856
Rent – unoccupied space (i)	84,925	75,221
	244,585	186,077

	2015 $	2014 $
16. Provisions (cont'd)		
Non-current		
Employee benefits	7,508	47,205
Rent – unoccupied space (i)	70,835	240,601
	78,343	287,806

(i) The provision was recognised on the basis that Hannans currently occupies and subleases part of its Perth office premises as a portion of the space is surplus to the requirements of the Group. The provision for the unoccupied space is calculated based on the difference between the Company's full operating office lease commitment to the end of the lease term on 14 December 2016 and the current occupied and subleased space discounted to present value as of 30 June 2015.

	Employee benefits $	Rent – unoccupied space $	Total $
Balance at 1 July 2013	217,857	–	217,857
Increase in provision	34,459	315,822	350,281
Utilised during the year	(94,255)	–	(94,255)
Balance at 1 July 2014	158,061	315,822	473,883
Increase in provision	24,921	–	24,921
Utilised during the year	(15,814)	(131,287)	(147,101)
Unwinding of discount rate and changes in the discount rate	–	(28,775)	(28,775)
Balance at 30 June 2015	167,168	155,760	322,928

	2015 $	2014 $
17. Other financial liabilities		
Current		
Convertible notes (i)		
Amounts outstanding – beginning of financial year	–	101,589
Amounts repaid	–	(101,624)
Accrued and imputed interest	–	35
Carrying amount of liability at 30 June	–	–
Finance lease liabilities	2,884	4,596
	2,884	4,596

(i) In 2009 a convertible note was entered in to between Scandinavian Resources Ltd (SCR) and Mathew Walker (lender) which allows $1.25 million to be drawn down as and when required with interest payable at the rate of 12.5% per annum. The lender has a second mortgage over the assets of SCR. The lender may at its election at any time convert the amount drawn down into fully paid ordinary shares at a rate of 3 shares for every dollar drawn down. The lender was issued with options in SCR as a fee for the loan. The options were replaced by options in Hannans Reward Ltd on 29 June 2012. The balance of the convertible note and interest of $101,624 were fully repaid on 1 July 2013.

	2015 $	2014 $
Non-current		
Finance lease liabilities	–	2,882
	–	2,882

18. Issued capital

721,966,133 fully paid ordinary shares (2014: 721,966,133)	44,577,512	44,577,512
	44,577,512	44,577,512

	2015		2014	
	No.	$	No.	$
Fully paid ordinary shares				
Balance at beginning of financial year	721,966,133	44,577,512	706,966,133	44,579,980
Issue of shares – 4 July 2013 (i)	–	–	15,000,000	–
Share issue costs	–	–	–	(2,468)
Balance at end of financial year	721,966,133	44,577,512	721,966,133	44,577,512

(i) On 28 June 2013 equity funds of $300,000 were received from Hannans' Directors and employees for Placement Tranche 2. In compliance with the Company's policy, issue of shares are processed only when funds are cleared in the bank. As of 30 June 2013, the funds were not cleared and therefore no ordinary shares were issued. The issue of the placement shares was completed on 4 July 2013.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

19. Reserves

	2015 $	2014 $
Balance at the beginning of the financial year	(242,150)	1,282,183
Option reserve	75,380	(1,368,809)
Available for sale revaluation reserve	29,210	(6,905)
Foreign currency translation differences	(100,410)	(148,619)
Balance at the end of the financial year	(237,970)	(242,150)
The balance of reserves is made up as follows:		
Option reserve	75,380	–
Revaluation reserve	–	(29,210)
Foreign currency translation reserve	(313,350)	(212,940)
	(237,970)	(242,150)

Nature and purpose of reserves

Option reserve

The option reserve recognises the fair value of options issued and valued using the Black-Scholes and Monte-Carlo simulation model.

Revaluation reserve

The asset revaluation reserve is used to record increases and decreases in the fair value of ordinary shares held in listed entities to the extent that they offset one another.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

19. Reserves (cont'd)

Share options

As at 30 June 2015, options over 36,050,000 ordinary shares in aggregate are as follows.

Issuing entity	No of shares under option	Class of shares	Exercise price of option	Expiry date of options
Hannans Reward Ltd	12,016,668	Ordinary	0.8 cents each	20 Nov 2017
Hannans Reward Ltd	12,016,668	Ordinary	To be calculated from VWAP* for 10 days after 20 Nov 2015	20 Nov 2018
Hannans Reward Ltd	12,016,664	Ordinary	To be calculated from VWAP* for 10 days after 20 Nov 2016	20 Nov 2019

** VWAP: Volume Weighted Average Price*

Share options are all unlisted, carry no rights to dividends and no voting rights. No options were exercised during the year.

20. Accumulated losses

	2015 $	2014 $
Balance at beginning of financial year	(15,145,576)	(15,499,061)
Loss attributable to members of the parent entity	(29,120,403)	(1,015,324)
Transfer of fair value of options expired from option reserves to accumulated losses	–	1,368,809
Balance at end of financial year	(44,265,979)	(15,145,576)

21. Loss per share

	2015 Cents per share	2014 Cents per share
Basic and diluted loss per share:	(4.03)	(0.14)

Basic loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2015 $	2014 $
Loss for the year	(29,120,403)	(1,015,324)

	2015 No.	2014 No.
Weighted average number of ordinary shares for the purposes of basic loss per share	721,966,133	721,801,749

The rights of options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted loss per share as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The rights of options are non-dilutive as the exercise prices are higher than the Company's share price at 30 June 2015 and the Company has also incurred a loss for the year.

	2015 $	2014 $
22. Commitments for expenditure		
Exploration, evaluation & development (expenditure commitments) (i)		
Not longer than 1 year	180,267	156,112
Longer than 1 year and not longer than 5 years (ii)	793,787	4,010,982
Longer than 5 years	–	–
	974,054	4,167,094
Future minimum rentals payable under non-cancellable operating leases as at 30 June 2015 are as follows: (iii)		
Not longer than 1 year	296,323	295,404
Longer than 1 year and not longer than 5 years	137,784	447,758
Longer than 5 years	–	–
	434,107	743,162

(i) In Sweden an exploration permit is valid for a period of three years from date of issue and following that may be extended for another maximum three year period if it can be shown suitable exploration has been carried out within the area. There are no minimum exploration commitments required to be spent on the permits, apart from permit renewal fees, by the Swedish authorities.

(ii) On 31 August 2011 Hannans' subsidiary, Kiruna Iron AB (KIAB), entered into a cooperation agreement with Boliden Mineral AB (Boliden) through which Boliden granted KIAB the right to explore the Lannavaara Permits in Sweden. In terms of the agreement, KIAB is required to spend a minimum of USD1.5 million in exploration expenditure within 5 years of the agreement date (i.e. by 30 August 2016). This expenditure commitment is included in the amount disclosed in the prior year. With the significant deterioration in the iron ore market globally, Boliden and KIAB have mutually agreed to end the cooperation agreement on 25 May 2015. No expenditure has been spent on the permits during the cooperation period.

(iii) The Group has a non-cancellable office lease, expiring within 1.5 years and with rent payable monthly in advance.

23. Contingent liabilities and contingent assets

(i) The Office of State Revenue ('OSR') has informed the Company that it has raised a Duties Investigation regarding the restructure involving the Mineral Rights Deed between the Company and Errawarra Resources Ltd. OSR has requested preliminary supporting information to assess the duty on the transaction. The Company does not consider it probable a stamp duty liability will arise.

24. Segment reporting

The Group operates predominantly in the mineral exploration industry in Sweden. For management purposes, the Group is organised into one main operating segment which involves the exploration of minerals in Sweden and Australia. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

Revenue analysis by geographic area

	Revenue		Total revenue and other income	
	2015 $	2014 $	2015 $	2014 $
Australia	28,120	150,705	147,105	308,777
Sweden	22,510	220	356,216	753,246
Consolidated	50,630	150,925	503,321	1,062,023

	2015 $	2014 $
24. Segment reporting (cont'd)		
Result analysis by geographic area		
Australia	(28,834,647)	(1,117,425)
Sweden	(285,756)	(19,618)
	(29,120,403)	(1,137,043)
Loss before income tax benefit	(29,120,403)	(1,137,043)
Income tax benefit/(expense)	–	121,719
Loss for the year	(29,120,403)	(1,015,324)

Assets and liabilities analysis by geographic area

	Assets		Liabilities	
	2015 $	2014 $	2015 $	2014 $
Australia	547,511	1,032,688	813,468	796,431
Sweden	1,589,383	30,614,793	1,249,863	1,661,264
Consolidated	2,136,894	31,647,481	2,063,331	2,457,695

25. Joint operations

Name of project	Principal activity	Interest 2015 %	Interest 2014 %
Pahtohavare (i)	Exploration	80	100
Lake Johnston (ii)	Exploration	20	20
Tasman Metals JV (iii)	Exploration	–	75

The Group's interest in assets employed in the above joint operation is included in the consolidated financial statements. The interest in Pahtohavare has been capitalised and forms part of the total assets however the interest in Lake Johnston does not form part of the total assets as the expenditure exploration and evaluation is expensed.

(i) On 27 March 2015 Hannans Reward Ltd announced a joint operation with Lovisagruvan AB (a Swedish mining company) over its Pahtohavare Copper-Gold Project, located near Kiruna, northern Sweden. The terms of the joint venture are as follows:

Consideration:

- Initial payment of SEK 1 million within seven days of signing the agreement.
- Provide the Group with an interest free working capital facility to the value of SEK 4 million if the joint venture proceeds to Stage 2.

Stage Funding:

(i) Stage 1: Lovisagruvan AB (LOVI) pays Hannans SEK 1 million, complete drilling and metallurgical test work within six months to earn 20% interest in Pahtohavare. LOVI is required to provide written notification to the Group if it wishes to continue in the joint venture.

(ii) Stage 2: LOVI prepares to lodge an exploitation concession and environmental permit for Pahtohavare and provide the Group with an interest free working capital facility to the value of SEK 4 million on normal commercial terms to earn further 15% in Pahtohavare.

(iii) Stage 3: Received exploitation concession and environmental permit approval and provide the Group with a Bankable Feasibility Study to earn further 16% in Pahtohavare.

(iv) Stage 4: LOVI delivers the Feasibility Study to the Group to earn further 24% in Pahtohavare.

(ii) On 24 June 2014 Hannans Reward Ltd announced a joint operation with NeoMetals Ltd (ASX: NMT) *(previously Reed Resources Ltd (ASX: RDR))* over its Lake Johnston nickel sulphide project, located west of Norseman in Western Australia. Hannans has retained 20% interest, free carried through to a Decision to mine.

(iii) On the 28 June 2010 Scandinavian Resources Pty Ltd *(previously Scandinavian Resources Ltd)* announced a joint operation with Tasman Metals Ltd (TSXV: TAS) over four of its exploration claims in Northern Sweden. The terms of the joint operation are as follows:

25. Joint operations (cont'd)

Consideration:

- Initial payment of AU$33,333 and $100,000 in SCR shares. (Initial payment was made and 588,235 ordinary shares at $0.17 were issued on 28 June 2010).
- On renewal of the Sautusvaara permit, payment of AU$16,667 and $50,000 in SCR shares. (Payment was made and 294,118 ordinary shares at $0.17 were issued on 22 September 2010).
- Spend AU$175,000 within 12 months of the agreement.

Stage Funding:

(v) Stage 1 Spend AU$750,000 by 30 June 2013 to earn 51% in permits.

(vi) Stage 2 Spend AU$500,000 by 30 June 2014 to earn further 24% interest in permits.

(vii) Stage 3 Spend AU$400,000 by 30 June 2018 and fund feasibility study to earn further 15% in permits.

(viii) Stage 4 Completion of Stage 3 Tasman can contribute 10% of future funding or convert to 1.5% net royalty.

On 21 July 2011 Scandinavian Resources Ltd confirmed with Tasman Metals Ltd that it had met Stage 1 and Stage 2 of the stage funding requirements and has earned 75% interest in the permits.

With the significant deterioration in the iron ore market globally, Tasman Metals and SCR have mutually agreed to end the joint operation on 10 June 2015.

Contingent liabilities and capital commitments

The capital commitments and contingent liabilities arising from the Group's interests in joint operations are disclosed in notes 22 and 23 respectively.

26. Related party disclosures

(a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 4 to the financial statements.

Equity interests in associates and joint operations

Details of interests in associates and joint operations are disclosed in note 25 to the financial statements.

(b) Key management personnel (KMP) remuneration

Details of key management personnel remuneration are disclosed in note 7 to the financial statements.

(c) Loans to key management personnel and their related parties

Details regarding the aggregate of loans made, guaranteed or secured by any entity in the Group to key management personnel and their related parties, and the number of individuals in each group, are as follows:

	Opening Balance $	Closing Balance $	Interest charged $	Number in group at 30 June
Total for key management personnel 2015	168,985	168,985	–	1
Total for key management personnel 2014	139,541	168,985	–	1
Total for other related parties 2015	–	–	–	–
Total for other related parties 2014	29,888	–	–	–
Total for key management personnel and their related parties 2015	168,985	168,985	–	1
Total for key management personnel and their related parties 2014	169,429	168,985	–	1

26. Related party disclosures (cont'd)

(d) Transactions with other related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Sales to related parties $	Purchases from related parties $	Amounts owed by related parties* $	Amounts owed to related parties* $
Director transactions					
Steinepreis Paganin	2015	–	10,585	–	449
	2014	–	21,732	–	19,425

* The amounts are classified as trade receivables and trade payables, respectively.

(e) Parent entity

The ultimate parent entity in the Group is Hannans Reward Ltd.

27. Subsequent events

The following matters or circumstances have arisen since 30 June 2015 that may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

(a) Subsequent to period end and as part of the legal binding unconditional agreement entered into with Mine Builder Pty Ltd (MineBuilder) for the sale of gold rights on a mining lease announced to ASX on 12 March 2015, MineBuilder has requested for additional time to make the instalment payments. Hannans and MineBuilder have executed a Deed of General Security over MineBuilder's assets to protect Hannans' interests. Hannans has also received a fully executed off-market share transfer form for MineBuilder's equity interest in a gold mining project that is currently being refinanced; it is uncertain if the value of this security will cover the amount owed to Hannans. The sole director of MineBuilder has also undertaken to execute a personal guarantee for the amount owed to Hannans, in addition to the security provided by MineBuilder. The personal guarantee is currently being drafted and is expected to be signed within 7 days.

28. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

	2015 $	2014 $
For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash and cash at bank	343,618	482,453
Term deposit	1,879	212,710
	345,497	695,163

28. Notes to the statement of cash flows (cont'd)

(b) Reconciliation of loss for the year to net cash flows from operating activities

Loss for the year	(29,120,403)	(1,015,324)
Impairment of exploration and evaluation expenses	28,275,372	–
Impairment of available-for-sale investments	26,875	–
Depreciation of non–current assets	28,680	36,026
Gain on disposal of shares	–	(9,689)
Gain on sale or disposal of assets	(2,661)	–
Loss/(gain) from prospect transaction fees	190,980	(717,899)
Equity settled share-based payments	75,380	–
Interest (paid)/incurred on borrowings	–	(1,589)
Finance charges on leased assets	498	35
Foreign exchange differences	(33,150)	(61,016)
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
Decrease in assets:		
Trade and other receivables	98,811	8,837
Decrease in liabilities:		
Trade and other payables and provisions	(51,276)	(85,628)
Income tax payable	–	(125,516)
Net cash from operating activities	(510,894)	(1,971,763)

Non–cash financing and investing activities

During the current year, the Group did not enter into the any non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows.

29. Financial risk management objectives and policies

(a) Financial risk management objectives

The Group manages the financial risks relating to the operations of the Group.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes although it holds, at 30 June 2015, shares in various other listed mining companies. The use of financial derivatives is governed by the Group's Board of Directors.

The Group's activities expose it primarily to the financial risks of changes in interest rates, but at 30 June 2015 it is also exposed to market price risk. The Group does not enter into derivative financial instruments to manage its exposure to interest rate.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(c) Foreign currency risk management

The Group is not exposed to any significant currency risk on receivable, payable or borrowings. All loans are denominated in the Group's functional currency.

29. Financial risk management objectives and policies (cont'd)

(d) Interest rate risk management

The Group is exposed to interest rate risk as it places funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate products which also facilitate access to money.

Cash flow sensitivity analysis for variable rate instruments

A change of 1 per cent in interest rates at the reporting date would have increased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2014:

	Profit or Loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
30 June 2015				
Variable rate instruments	3,455	(3,455)	3,455	(3,455)
Cash flow sensitivity	3,455	(3,455)	3,455	(3,455)
30 June 2014				
Variable rate instruments	6,949	(6,949)	6,949	(6,949)
Cash flow sensitivity	6,949	(6,949)	6,949	(6,949)

The following table details the Group's exposure to interest rate risk.

			Fixed maturity dates				
Consolidated	Weighted average effective interest rate %	Variable interest rate $	Less than 1 year $	1–5 years $	5+ years $	Non interest bearing $	Total $
2015							
Financial assets:							
Cash and cash equivalents	0.03%	345,352	–	–	–	145	345,497
Trade and other receivables	–	–	–	–	–	76,590	76,590
Other receivables – non-current	2.87%	130,000	–	–	–	24,275	154,275
Loans	–	–	–	168,985	–	–	168,985
		475,352	–	168,985	–	101,010	745,347
Financial liabilities:							
Trade and other payables	–	–	–	–	–	1,737,519	1,737,519
Other financial liabilities	21.2%	–	2,883	–	–	1	2,884
		–	2,883	–	–	1,737,520	1,740,403
2014							
Financial assets:							
Cash and cash equivalents	0.8%	694,956	–	–	–	207	695,163
Trade and other receivables	–	–	–	–	–	708,297	708,297
Other receivables – non-current	3.4%	216,000	–	–	–	20,852	236,852
Loans	–	–	–	255,728	–	–	255,728
		910,956	–	255,728	–	729,356	1,896,040

29. Financial risk management objectives and policies (cont'd)

Consolidated	Weighted average effective interest rate %	Variable interest rate $	Fixed maturity dates: Less than 1 year $	Fixed maturity dates: 1–5 years $	Fixed maturity dates: 5+ years $	Non interest bearing $	Total $
2014							
Financial liabilities:							
Trade and other payables	–	–	–	–	–	1,975,709	1,975,709
Borrowings	–	–	–	–	–	–	–
Other financial liabilities	21.2%	–	4,595	2,882	–	1	7,478
		–	4,595	2,882	–	1,975,710	1,983,187

(e) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash to meet the operating requirements of the business and investing excess funds in highly liquid, high security short term investments. The Group's liquidity needs can be met through a variety of sources, including cash generated from operations and issue of equity instruments.

The following table details the Group's non-derivative financial instruments according to their contractual maturities. The amounts disclosed are based on contractual undiscounted cash flows.

	Less than 6 months $	6 months to 12 months $	1 to 2 years $	Greater than 2 years $	Total $
2015					
Trade and other payables	282,018	1,000,000	455,501	–	1,737,519
Other financial liabilities	2,460	423	–	1	2,884
	284,478	1,000,423	455,501	1	1,740,403
2014					
Trade and other payables	968,206	8,128	1,000,000	–	1,976,334
Other financial liabilities	–	4,595	2,882	1	7,478
	968,206	12,723	1,002,882	1	1,983,812

(f) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored. The Group measures credit risk on a fair value basis.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group currently does not have any material debtors apart from GST receivable which is claimed at the end of each quarter during the year.

It is a policy of the Group that creditors are paid within 30 days.

29. Financial risk management objectives and policies (cont'd)

(g) Market price risk

Market risk is the potential for loss arising from adverse movements in the level and volatility of equity prices.

The Group's investments subject to price risk are listed on the Australian Securities Exchange as detailed in note 11. A 1 per cent increase at reporting date in the equity prices would increase the market value of the securities by $55 (2014: $32), and an equal change in the opposite direction would decrease the value by the same amount. The increase/decrease would be reflected in equity as these financial instruments are classified as available–for–sale. The increase/decrease net of deferred tax would be $39 (2014: $23).

(h) Capital risk management

For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent, which at 30 June 2015 was $44,339,542 (30 June 2014: $44,335,362). The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders.

At 30 June 2015 the Group does not hold any external debt funding (30 June 2014: Nil) and is not subject to any externally imposed covenants in respect of capital management.

30. Fair value measurement

The fair value of financial assets and financial liabilities of the Group approximated their carrying amount. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The table below analyses financial instruments carried at fair value by value measurement hierarchy.

Quantitative disclosures fair value measurement hierarchy as at 30 June	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobser-vable inputs (Level 3)	Total
2015				
Assets measured at fair value				
Available-for-sale financial assets (note 11):				
Quoted equity shares (i)	5,525	–	–	5,525
Unquoted equity shares (ii)	–	–	1	1
Capitalised exploration and evaluation expenditure (note 14)	–	–	1,356,340	1,356,340
	5,525	–	1,356,341	1,361,866
2014				
Assets measured at fair value				
Available-for-sale financial assets (note 11):				
Quoted equity shares (i)	3,190	–	–	3,190
Unquoted equity shares (ii)	–	–	1	1
	3,190	–	1	3,191

The management assessed that cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value:

(i) Fair value of available-for-sale financial assets is derived from quoted market prices in active markets. Refer note 29(g) for market price risk impact.

(ii) The historical cost has been used to fair value unquoted ordinary shares. There is no market for the share and the value of the share does not warrant further discount or valuation.

The estimated recoverable amount of the capitalised exploration and evaluation expenditure is classified as level 3 and is sensitive to the movements in the iron ore and copper prices. The valuation methodology undertaken by the Group was determined with reference to comparable exploration companies in the industry and their respective contained iron and copper resource multiples. Refer note 14 for further information.

31. Parent entity disclosures

The following details information related to the parent entity, Hannans Reward Ltd, at 30 June 2015.
The information presented here has been prepared using consistent accounting policies as presented in note 2.

	2015 $	2014 $
Results of the parent entity		
Loss for the year	(18,860,375)	(1,063,073)
Other comprehensive income	–	1,368,809
Total comprehensive income/(loss) for the year	(18,860,375)	305,736
Financial position of parent entity at year end		
Current assets	99,563	378,385
Non-current assets	289,650	19,785,970
Total Assets	389,213	20,164,355
Current liabilities	716,868	1,541,875
Non-current liabilities	78,343	243,483
Total Liabilities	795,211	1,785,358
Total equity of the parent entity comprising of:		
Share capital	45,306,042	45,306,042
Reserves	75,380	–
Accumulated losses	(45,787,420)	(26,927,045)
Total Equity	(405,998)	18,378,997

(a) Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had not entered into any guarantees in relation to the debts of its subsidiaries as at 30 June 2015 and 30 June 2014.

(b) Commitments for the acquisition of property, plant and equipment by the parent entity

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2015 and 30 June 2014.

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