

HANNANS

28 October 2015

ASX & MEDIA ANNOUNCEMENT

Discovery Zone Update

- ∂ Avalon Minerals' Discovery Zone exploitation concession application has been dismissed by the Mining Inspectorate of Sweden – Avalon can no longer transfer the application back to Hannans as required by the Heads of Agreement
- ∂ A consequence of this dismissal is that Hannans has lost title to its Discovery Zone copper-gold project, Rakkurijärvi iron project and Tributary Zone copper-gold prospect
- ∂ Hannans considers this to be a very serious matter and has in addition to reserving its rights requested Avalon provide a written explanation of the circumstances that lead to the dismissal as a matter of urgency

Hannans Reward Ltd (Hannans) has been made aware that the Discovery Zone exploitation concession application registered in the name of Avalon Minerals Adak AB (a wholly owned subsidiary of Avalon Minerals Ltd ASX:AVI) was dismissed on 21 October 2015.

Pursuant to the Heads of Agreement announced to ASX on 6 May 2013 and as noted in Avalon's announcement to ASX on 9 October 2015, Avalon was required to transfer the exploitation concession application back to Hannans upon receipt of the refund from Hannans - this is no longer possible.

The decision by the Mining Inspectorate to dismiss Avalon's application means that the permit containing the Discovery Zone copper-gold deposit, Rakkurijärvi iron deposit and the Tributary Zone copper-gold prospect has expired. Hannans considers this to be a very serious matter and has in addition to reserving its rights, requested Avalon provide a written explanation of the circumstances that lead to the dismissal as a matter of urgency.

Hannans will continue to keep the market informed as new information is obtained and will take all necessary action to protect its position.

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About Hannans Reward Ltd

Hannans Reward Ltd (ASX:HNR) is an exploration company with a focus on copper, gold, nickel, PGE and iron. Hannans has JORC compliant copper, gold and iron resources in Sweden, a major Ni-Cu-PGE project in Sweden and a free-carried interest in a nickel project in Australia. Since listing on the Australian Securities Exchange in 2003 Hannans has signed agreements with Vale Inco, Rio Tinto, Anglo American, Boliden, Warwick Resources, Cullen Resources, Azure Minerals, Neometals, Tasman Metals and Grängesberg Iron. Shareholders at various times since listing have included Rio Tinto, Anglo American, OM Holdings, Craton Capital and BlackRock. For more information please visit www.hannansreward.com.

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