HANNANS

1st Quarter Activities Report 2015/2016

Fast Facts

ASX Code: HNR

Capital Structure

Shares on issue: 721.9m

Market cap: $2.8 (at 0.4c)

Management

Managing Director:
Damian Hicks

Exploration Manager:
Amanda Scott

Finance & Compliance Manager:
Mindy Ku

Non-Executive Directors

Olof Forslund

Markus Bachmann

Jonathan Murray

Key Projects

Sole Funded

Lapland (Nickel-Copper-PGE)

Lannavaara & Rakkuri (Iron)

Free-Carried Interest

Pahtohavare (Copper-Gold) (JV)

Lake Johnston (Nickel) (JV)

QVR (Nickel) (JV)

WA Exploration Database (JV)

During the 1st Quarter (Jul – Sept 2015) Hannans:

Exploration & Business Development

- Lapland Nickel-Copper PGE Project – Completed first-pass reconnaissance field trip collecting outcrop and boulder samples for assay and petrographical analysis.
- Pahtohavare Copper-Gold Project – JV partner completed diamond drilling campaign at the Central deposit. High-grade Cu-Au-Ag mineralisation intercepted. Stage 2 Metallurgical testwork completed.
- QVR Nickel Sulphide Project – JV partner completed one diamond drill hole which returned no significant assays
- Sale of Exploration Database – sold exploration database to Neometals Ltd (ASX:NMT) in consideration for a 20% interest in new tenement applied for by Neometals, free-carried through to a Decision to Mine.

Corporate

- New opportunities – Continued the search for corporate, project and joint venture partners with the potential to create value for shareholders.
- Mine Builder Pty Ltd – Secured general security deed and personal guarantee covering debts owed to Hannans.

During the 2nd Quarter (Oct – Dec 2015) Hannans aims to:

Exploration & Business Development

- Lapland Nickel-Copper PGE Project – complete shallow bedrock drilling workplan for submission to the Swedish Mining Inspectorate.
- Pahtohavare Copper-Gold Project – subject to funding, complete additional metallurgical testwork on oxide ore and continue geological interpretation.

Corporate

- New opportunities – continue search for corporate, project and joint venture partners with the potential to create value for shareholders.
- Lovisagruvan AB (AktieTorget:LOVI) – receive notification whether LOVI will proceed to Stage 2 of the Pahtohavare JV.
- Avalon Minerals (AS:AVI) – analyse facts associated with termination of the Discovery Zone Heads of Agreement and subsequent decision by the Mining Inspectorate of Sweden to discontinue processing the exploitation concession application.
- AGM – hold annual general meeting of shareholders at 2pm on 24 November 2015 at 45 Ventnor Avenue, West Perth

Managing Director
30 October 2015

HANNANS REWARD LIMITED
ASX: HNR
ABN: 52 099 862 129

6 Outram Street
West Perth, Western Australia
Postal Address: PO Box 1227
West Perth, WA 6872, Australia
Facebook: Hannans Reward

T: +61 8 9324 3388
F: +61 8 9324 3366
E: admin@hannansreward.com
W: www.hannansreward.com
Twitter: hannansreward

EXPLORATION & BUSINESS DEVELOPMENT

LAPLAND NICKEL-COPPER-PGE PROJECT

The Lapland Project is a major new greenfields exploration project located in north-eastern Sweden (approximately 100km north-east of Kiruna) with the potential to host nickel-copper-platinum group elements and gold mineralisation.

EXPLORATION

During the quarter Hannans completed a first-pass reconnaissance mapping and sampling programme across multiple prospect areas within the Lapland Project (refer Figure 3 below). The field trip was completed by Amanda Scott, Exploration Manager, and Damian Hicks, Managing Director. The main objectives for the field trip were:

- Key stakeholder introductions;
- Site familiarisation; and
- Identification, mapping and sampling of mafic-ultramafic bedrock and boulders.

All three of the objectives were met with important introductions having been made to key local stakeholders. Site familiarisation was completed on the majority of the prospect areas and importantly access tracks into the various prospects were identified which will enable future work to be completed with the least amount of disturbance. Most importantly mafic and ultramafic rocks were identified at a number of the prospects (refer Table 1 in the Appendix).

Figure 1: Hannans' Exploration Manager Amanda Scott inspecting outcropping gabbro from the Merasjoki Prospect.

The outcome of the work completed to date was that the Jalokoski and Kaalamakoski prospects will become the primary focus for future exploration at the Lapland Project. Unfortunately it was not possible to access the interesting Suorkivaara prospects during the field trip.

The next key milestone will be to confirm the presence of magmatic sulphides. We will aim to achieve this through additional mapping of the ultramafic rocks and shallow bedrock drilling.

The Jalokoski prospect contained the only ultramafic sample (SR15005) collected during the field trip. It showed evidence of differentiation which typically indicates dynamic magma emplacement which is generally required for nickel sulphide mineralisation. Nearby sample SR15004 (refer Figure 2 below), whilst undifferentiated, was the only sample to contain olivine suggesting that it may have formed from a more primitive magma. Sample SR15004 also contained trace amounts of pentlandite. This may be however the result of secondary alteration rather than evidence for primary magmatic sulphides.

The remaining samples, with the exception of sample SR15012, while gabbroic are undifferentiated and represent the typical product of a slow-cooled, mafic magma. These undifferentiated gabbros are associated alkaline gabbro complexes and the generally high phosphorus values support this conclusion. There is no chemical or petrographic evidence of magmatic sulphides in the samples collected to date.

At the conclusion of this first round of exploration a decision was made to relinquish a number of permits within the Lapland Project area that were deemed to be less prospective and a pro rata refund of the permit application fees has been received from the Swedish Mining Inspectorate.

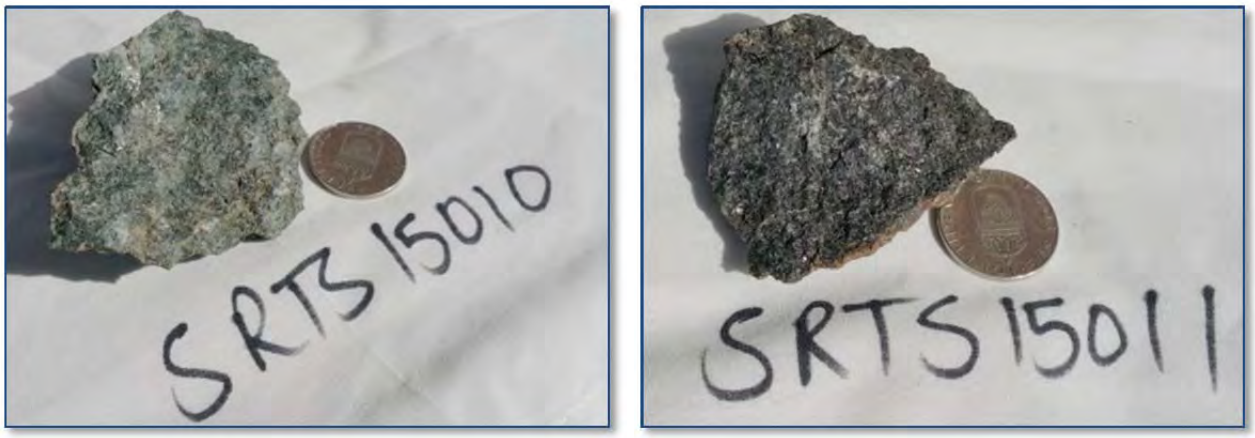

Figure 2: Outcrop samples from the Jalokoski Prospect. Note the sample numbers are the petrographic sample number and not the chemical analysis number reported in Table 1. SRTS15010 refers to SR15005 and SRTS15011 refers to SR15004.

WORK PLAN

The exploration plan for the next twelve months includes additional stakeholder meetings, preliminary environmental baseline investigations, detailed reconnaissance mapping of ultramafic lithologies at Jalokoski and Kaalamakoski, top-of-bedrock drilling and possibly in-fill airborne gravity and electromagnetic surveys. This work will improve our understanding of the social, environmental and geotechnical (geological, geochemical and geophysical) characteristics of the Lapland Project.

JOINT VENTURE PARTNER

Hannans will continue the search for a partner with the technical expertise and financial strength to drive the project forward.

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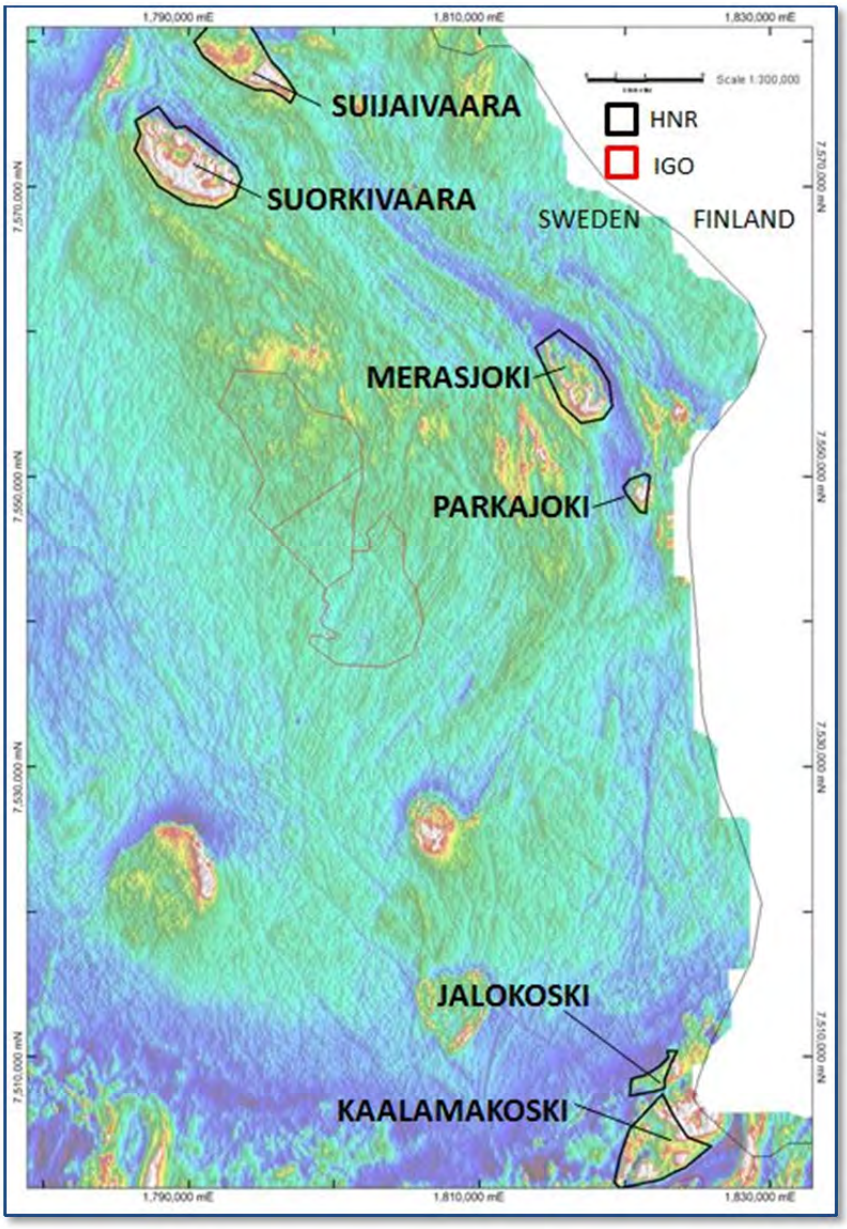

Figure 3: Location Map showing the location of the Lapland Cu-Ni-PGE Project, northern Sweden on airborne magnetic imagery.

PAHTOHAVARE PROJECT

The Pahtohavare Copper-Gold Project is located approximately 8km south-west of Kiruna, northern Sweden. Joint venture partner Lovisagruvan AB is funding the costs of exploration.

DIAMOND DRILLING – CENTRAL DEPOSIT

At the end of the last Quarter, diamond drilling commenced at the Pahtohavare Copper-Gold Project (refer Figure 8 below) through Hannans' joint venture partner, Swedish mining company Lovisagruvan AB who funded all the costs of the program pursuant to the joint venture announced to ASX on 27 March 2015.

The primary aim of the diamond drilling programme was to test the continuity of mineralisation (refer Figure 5 below) between existing drill profiles of the northern part of the Central oxide deposit. A total of 8 new diamond holes and 1 diamond tail were completed for a total of 760.3m (including overburden) (Refer Table 2 in the Appendix for all drillhole information).

All drillhole assay results have now been received and are summarised in Table 2 below. The drilling returned multiple high-grade copper-gold-silver intercepts including one 'bonanza' intercept from drillhole PADH15005; a summary of the significant intercepts from PADH15005 are as follows:

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

Within this broader zone of copper mineralisation there are two distinct, higher grade zones of mineralisation (using a 1% Cu cut-off, 1m internal dilution).

The first high-grade interval includes:

- 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**

The second high-grade interval includes:

- 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**

Note that all widths are downhole as true widths are not currently known.

Diamond drillhole PADH15005, located on Profile 7 and drilled towards the east, intersected >50m of high grade copper-gold-silver mineralisation (refer Figure 4 below), primarily malachite and chrysocolla, in strongly goethite altered tuffaceous and mafic lithologies with mineralisation from 'surface' to 54.2m downhole. PADH15005 was designed to intercept the strong copper mineralisation intercepted in historic drillhole PAH87124, which intercepted 59.65m @ 1.21% Cu, 0.22g/t Au, and to determine the down-dip controls on mineralisation (refer Figure 5 below).

Figure 4: Hannans' Managing Director Damian Hicks holding the high-grade copper ore from PADH15005.

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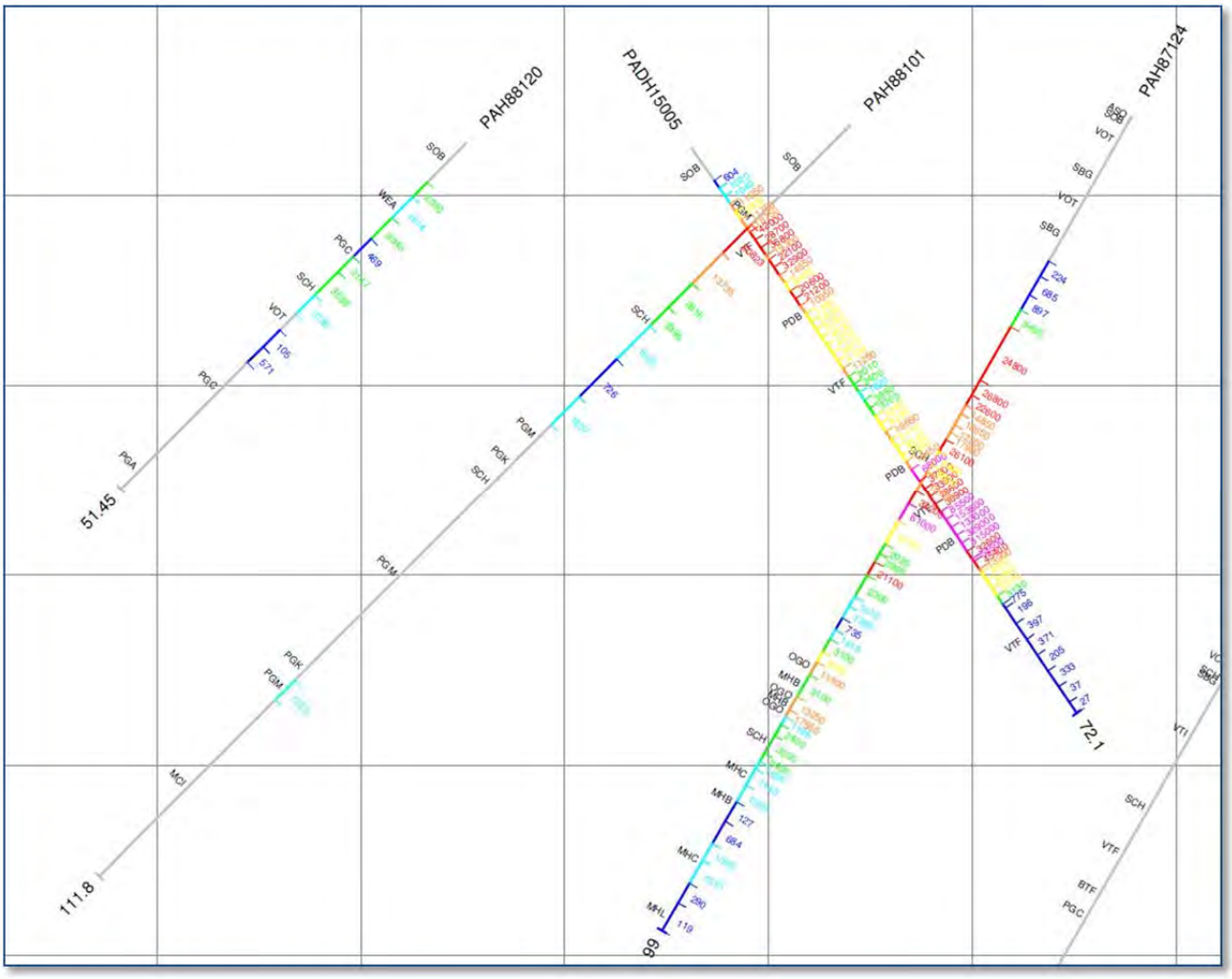

Figure 5: Drillhole cross-section showing PADH15005 and historic drillhole PAH87124 on drill Profile 7.

PADH15005 intercepted (~6m) of a distinct intensely goethite altered vughy unit (refer Figure 6 below) containing malachite, chrysocolla, chalcocite, chalcopyrite and cuprite. This unit has been interpreted as a paleo water table zone and was also intercepted in PADH15004, PADH15006 and PARC13001D. At 54.2m a sharp oxidation boundary was observed and all copper mineralisation ceased after this contact despite no change in lithology. This very distinct oxidation boundary has provided direct evidence for a strong supergene control on mineralisation at the Central deposit.

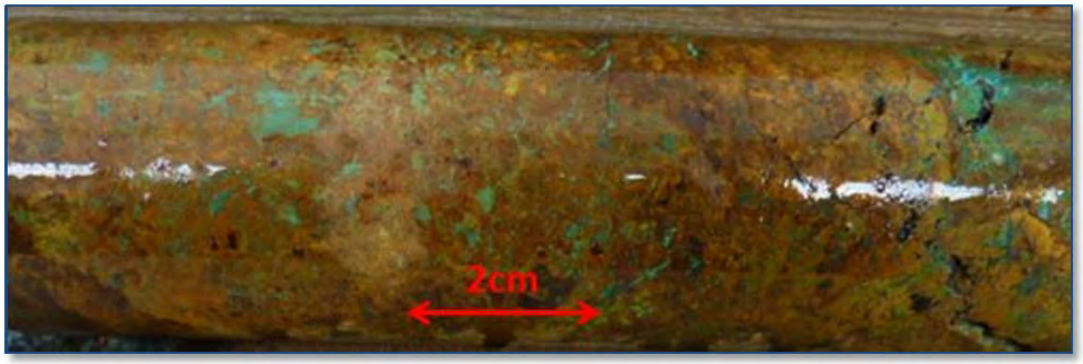

Figure 6: High-grade copper mineralisation (malachite and chrysocolla) within strongly goethite altered unit (PADH15005).

Drillholes PADH15001 and PADH15002 were both designed to intercept copper mineralisation in an interpreted down-dip position and despite intercepting the expected host stratigraphy no significant copper mineralisation was intercepted. Similarly PADH15007, drilled on the northern most profile (Profile G), also intercepted the known and expected stratigraphy but did not return any significant copper mineralisation. It has been postulated that the ore may have been off-set by left-lateral (sinistral) faulting on this profile. Left-lateral off-setting of the ore can be seen between Profiles 4 & 5 and between Profiles 5 & 6. Additional drilling located further to the west on Profile G will confirm if in fact the ore has been off-set.

PADH15008, the final hole drilled in the programme, was abandoned prior to reaching the host unit due to drilling difficulties through the graphitic shale unit which has proven to be problematic in historical drilling and the more recent 2013 RC drilling campaign completed by Hannans.

The recent drilling programme has confirmed the wide, high-grade nature of the copper-gold-silver mineralisation at Central but it has also shown that the mineralisation is complex, likely due to the insitu weathering and subsequent supergene overprinting of the deposit. The oxidation and mineralisation is very irregular, both horizontally and vertically within the deposit, and has made interpretation difficult. At Central the classical supergene leach zone, oxide zone and enrichment zone appear to overlap quite significantly, especially in the high grade, strongly oxidised unit (refer Figure 6 above) where copper oxides, copper carbonates and copper sulphides all exist together somewhat paradoxically. Multiple samples have been dispatched to Canada for petrographical analysis and it is anticipated that the results will provide a better understanding of the mineralisation genesis at Central.

Drill Hole	Easting (RT90)	Northing (RT90)	Dip	Azi	EOH (m)	From	To	Width	Cu %	Au g/t	Ag g/t
PADH15001	1680202	7528163	250	-60	106.9	28.20	35.20	7	0.21	0.06	-
						45.20	48.20	3	0.33	0.05	1.96
PADH15002	1680174	7528179	250	-60	79.6			NSA			
PADH15003	1680125	7528163	70	-51	49.9	4.60	28.00	23.4	0.42	0.08	0.82
PADH15004	1680124	7528161	70	-65	62.9	3.30	31.70	28.4	0.46	0.08	0.66
PADH15005	1680074	7528191	65	-55	72.1	5.20	58.20	53	3.36	0.89	6.20
Inc.						7.20	21.20	14	2.03	0.53	4.07
Inc.						10.80	13.80	3	3.58	1.02	8.47
Inc.						40.00	54.20	14.2	9.60	2-43	16.98
Inc.						47.50	51.50	4	23.26	3.62	43.03
PADH15006	1680136	7528191	250	-60	137.3	20.07	50.50	30.43	1.75	0.49	1.54
Inc.						29.2	41.50	12.3	2.99	0.87	1.66
PADH15007	1680107	7528233	250	-60	76.8			NSA			
PADH15008	1680300	7528148	250	-60	80.5			NSA			
PARC13001D	1680313	7528176	250	-65	235.3	155.00	173.00	18	1.48	0.36	0.90
						176.00	185.00	9	0.49	0.15	0.71

Table 1: Significant assay results for the 2015 diamond drilling programme at the Central deposit. Reported using a 0.1% cut-off and 1m internal dilution. Samples submitted to ALS Global (Piteå) for ME-ICPMS61 and Au-AA25 analysis. NSA: No significant assays.

The priority at Central going forward, is to try to understand the controls on oxidation to the extent that we can more easily predict where the mineralisation might be. This is likely to be achieved through additional drilling, trenching or possibly a small trial mine. Detailed ground magnetics or SAM could also provide valuable structural information to aid in the geological interpretation at Central.

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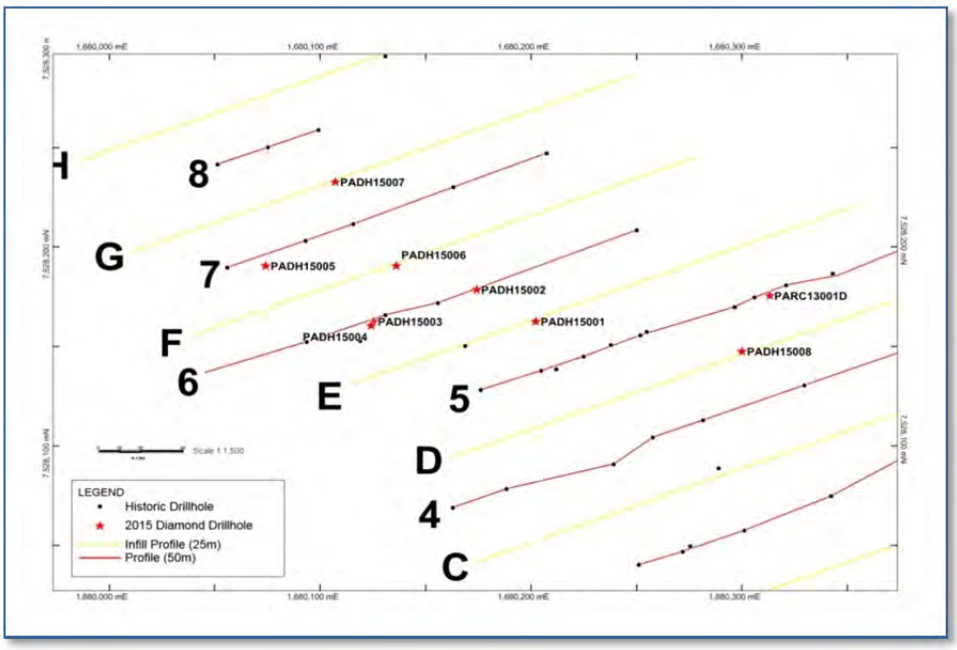

Figure 7: Map showing the location of all drillholes at the Central deposit. The 2015 diamond drillholes are shown with blue squares.

METALLURGICAL TESTWORK - CENTRAL DEPOSIT

After receiving positive initial metallurgical testwork on oxide ore from the Central deposit a second stage of testwork was designed, again by Independent Metallurgical Operations Pty Ltd (IMO) from Perth, Western Australia and implemented by Activation Laboratories Ltd (Actlabs) located in Ontario, Canada.

The aims of the Stage 2 testwork were to:

- Generate a new master composite from available samples with resultant feed grade closer to the current resource grade of 1.8% Cu and 0.6 g/t Au.
- Complete an acid leach followed by cyanide leach bottle rolls on weathered and fresh samples at varying crush/grind sizes (212µ & 106µ) to assess the amenability of deposit to traditional agitated leaching and continuous vat leaching (CVL). The recovery of copper and gold together with reagent consumptions were to be assessed.
- Complete additional copper speciation testwork using the new master.
- Complete viscosity testwork to ascertain any material handling issues due to the presence of swelling clays, noting the presence of swelling clays from Stage 1 XRD testwork.

The results of the Stage 2 copper speciation testwork have shown that the majority of the copper mineralisation is associated with cuperiferous clays. This result differs from the results of the Stage 1 copper speciation testwork which indicated that the majority of the copper mineralisation was associated with chrysocolla. The difference is likely due to the differing levels of mineralogy within the sample tested during the two separate stages. Both sets of tests indicated that the bulk of the copper is associated with acid consuming minerals which will likely result in elevated acid consumption levels. The Stage 2 copper speciation testwork has also shown that there are copper sulphides (chalcopyrite, covellite and chalcocite) present in the weathered or oxidised material.

	Mass (%) Total Copper Bearing Mineral		
Classification	RC chip samles	Drill Core Weathered	Drill Core Fresh
Copper Sulphide	2.59	29.80	1.25
Copper Silicates	27.59	14.31	36.66
Cupriferous Clays	68.40	45.34	62.09
Copper Phosphates	1.42	10.55	0.00
Total	100.00	100.00	100.00

Table 4: RC and drillcore composite comparative copper mineralogy.

The Stage 2 copper speciation testwork was undertaken using an aggressive acid (H_2SO_4) concentration of **50g/L** over 1 hour. The acid leach residue was then leached with 5% NaCN (cyanide) for 30 minutes. The results of the Stage 2 copper speciation testwork can be summarised as follows:

- The percentage of acid soluble copper for each of the three composites ranged from 83.10-87.85%.
- The percentage of refractory copper (the amount reporting to the residue) for each of the three composites ranged from 11.43-13.86%.
- Cyanide soluble extractions were low for all three composites.

The mineralogy results indicated that only a small portion of the refractory copper was as chalcopyrite; the refractory residue grades may indicate a proportion of the cupriferous clays is retaining copper at a fine size (below a P_{80} size of 106µ). Further mineralogical testwork of the residues are required to confirm this.

	Reverse Circulation		Drill Core Fresh		Drill Core Weathered	
Stage	Cu (ppm)	Extraction (%)	Cu (ppm)	Extraction (%)	Cu (ppm)	Extraction (%)
Acid Leach	10,539	83.10	2,880	87.85	14,190	84.06
Cyanide Leach	692	5.45	8	0.25	351	2.08
Residue	1,451	11.43	390	11.90	2,340	13.86
Calculated Head	12,681	100.00	3,278	100.00	16,881	100.00

Table 5: RC and drillcore composite copper speciation test summary.

Intermittent Bottle Roll (IBR) acid leach testing was completed on drill core from PAH05002 and was undertaken using an initial acid (H_2SO_4) concentration of 10g/L for two hours, subsequently maintained at **5g/L**. Solution samples were taken after 2, 4, 8, 12 and 24 hours and subsequently taken every 24 hours through to completion after 168 hours or 7 days. The IBR acid leach results show that the leach kinetics at a sustained acid concentration of 5g/L are slow, with the extraction rate decreasing substantially after 2hrs.

IMO completed forward kinetic modelling to assess the leach extraction and acid consumption rate based on a sustaining acid concentration of **10g/L** over the same retention times used in the actual IBR acid leach tests. The modelling concluded that an acid concentration in the range of 15-20g/L is likely required for the weathered or oxidised material to achieve optimal copper extraction levels. The IBR acid leach tests indicated there is a low sensitivity to crush size which is positive.

PRELIMINARY ENVIRONMENTAL ASSESSMENT

During the Quarter, Bergskraft Bergslagen AB completed a brief review of historical mining activities at Pahtohavare, in particular waste rock and waste water methods and historic water monitoring data to obtain a preliminary view on the current status of the water and waste rock quality in and around the Pahtohavare Project area. The review also included collecting new water and waste rock samples to determine the acid-base characteristics and element composition.

The results of the preliminary environmental review indicated:

- The waste rock is most likely not acid producing and no major environmental problems are expected from the waste dumps.
- The waste rock is primarily contaminated with copper.
- Some weathering is still occurring in the waste rock; leaching of primarily copper and sulphur occurring to a small degree.
- Enhanced concentrations of copper, sulphur and uranium in the Southern open pit surface waters.
- Old exploration drill holes are releasing water from the underground workings to the nearby Pahtohajåkk creek.
- Calcium, magnesium, strontium, sulphur and uranium values increase significantly when Pahtohajåkk passes the mine site.

JOINT VENTURE AGREEMENT

Joint venture partner Lovisagruvan AB are currently reviewing the recent exploration activities completed at Pahtohavare and are expected to make a decision on whether to proceed to Stage 2 of the joint venture agreement in mid-November.

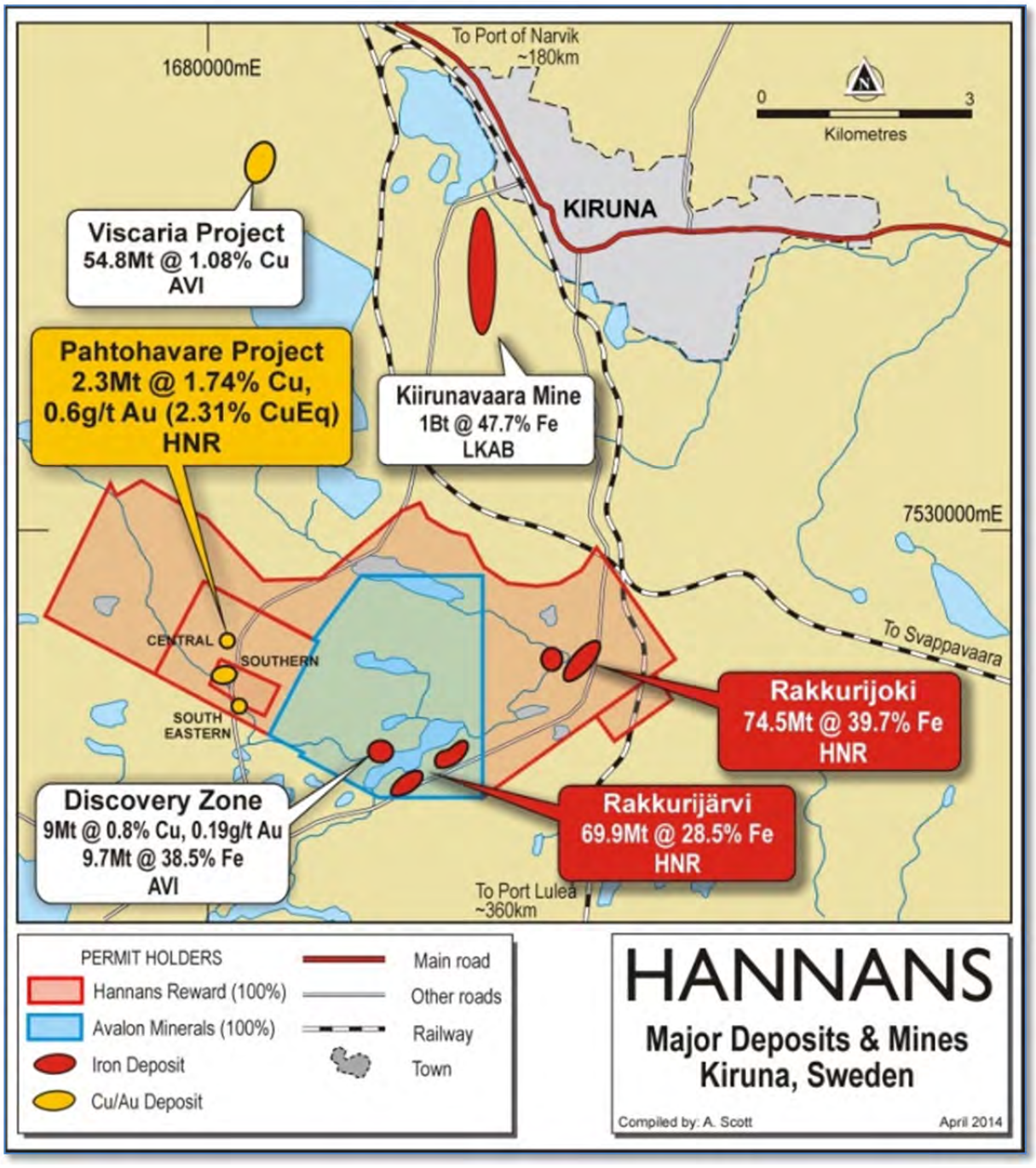

Figure 8: Location Map showing the location of the Pahtohavare Copper-Gold Project, northern Sweden.

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SALE OF EXPLORATION DATABASE

Hannans sold its exploration database to Neometals Ltd (ASX:NMT) in consideration for a 20% interest in new tenement applied for Neometals, free-carried through to a Decision to Mine.

Hannans signed an agreement to sell its West Australian exploration database to Reed Exploration Pty Ltd (REX), a wholly owned subsidiary of Neometals Ltd (ASX:NMT). The database includes all exploration data compiled by Hannans in Western Australia since 2002. In circumstances where REX uses the database to identify exploration targets, REX will hold a 20% interest in tenements it applies for on trust for Hannans, with Hannans' interest free-carried through to a Decision to Mine. If and when a Decision to Mine is made, Hannans can elect to contribute to expenditure to maintain its 20% interest or convert to a 2% net smelter royalty interest. In relation to a limited number of areas within the database Hannans will hold an interest on trust for previous joint venture partners and royalty holders pursuant to pre-existing agreements. This transaction with Neometals enables Hannans to remain exposed to exploration activities in Western Australia without any requirement to fund exploration.

QUEEN VICTORIA ROCKS (QVR) PROJECT

The QVR Nickel-Sulphide Project is located approximately 50km south-west of Coolgardie, Western Australia. JV partner Neometals is funding the costs of exploration.

During the Quarter Neometals advised that they attempted to 'clean out' a historic diamond drill hole with the aim of taking photographs of the mineralised zones. Unfortunately the hole was unable to be re-entered to the required depth and therefore a 'twin' hole was drilled in an effort to replicate the historic results. The assays from the Neometals drill hole have been returned and there were no significant assays. Hannans completed a similar exercise, and achieved a similar result in 2005.

TECHNOLOGY METALS

Hannans has commenced a review of opportunities for elements in high demand due to their use in the manufacture of high technology devices including Li-ion batteries. These elements are generally considered to be lithium, cobalt and carbon (graphite) commonly referred to as 'Technology Metals'. The review into the potential of the existing Hannans portfolio to host Technology Metals is ongoing.

EXPLORATION DATA QUALITY & COSTS

No further work was completed on the proprietary magnetic system during the Quarter.

CORPORATE

NEW OPPORUNTITIES

During the Quarter the search continued for corporate, project and joint venture partners with the potential to create value for shareholders.

A number of preliminary meetings were held with organisations interested in corporate transactions and initiatives involving Hannans' portfolio of minerals projects in Sweden and Australia – follow up meetings have been taking place during the current Quarter.

SALE OF MINING LEASE, FORRESTANIA

Further to the market update provided in the 1st Quarter 2014/2015 Activities Report Hannans has not received any payments from Mine Builder Pty Ltd pursuant to the gold rights transaction previously announced to ASX.

Mine Builder has been working to restructure its affairs to enable payment to Hannans and Hannans has been closely monitoring the outcome of this process.

During the Quarter the sole director of Mine Builder provided Hannans with an unconditional personal guarantee for Mine Builder's debt to Hannans.

Subsequent to the end of the Quarter Hannans has sought to register a transfer of shares from Mine Builder to Hannans in a private mining company, as part payment of the outstanding debt.

LOVISAGRUVEN AB JOINT VENTURE

By way of background Hannans entered into a joint venture agreement with Lovisagruvan AB (LOVI) over the Pahtohavare Copper-Gold Project in March 2015.

A significant amount of exploration has been competed by LOVI at Pahtohavare since the JV agreement was signed. The information is still being processed. By mutual agreement LOVI and Hannans have extended the due date for a decision with LOVI will proceed to Stage 2, through to mid November 2015.

If LOVI elects to proceed to Stage 2 they have agreed to provide Hannans with an interest free $0.6M working capital facility to be secured against the Pahtohavare Copper-Gold Project.

DISCOVERY ZONE COPPER PROJECT, SWEDEN

On 9 October 2015 Hannans received a Refund Notice from Avalon pursuant to a Binding Heads of Agreement (HOA) announced to ASX on 6 May 2013. Hannans is seeking legal advice on the rights and the obligations of both parties in seeking to have the concession granted.

On 21 October 2015 Hannans became aware that the Discovery Zone exploitation concession application registered in the name of Avalon Minerals Adak AB (a wholly owned subsidiary of Avalon) was dismissed. Pursuant to the HOA Avalon was required to transfer the exploitation concession application back to Hannans upon receipt of a 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 led to the dismissal as a matter of urgency. Hannans will take all necessary action to protect its position.

ASX ANNOUNCEMENTS FOR 1st QUARTER 2015/2016

Date	Announcement
September 30th 2015	Corporate Governance Council Principles and Recommendations
September 30th 2015	2015 Annual Report
September 29th 2015	Pahtohavare Assay Results
August 27th 2015	Pahtohavare High Grade Copper
August 26th 2015	Trading Halt
July 31st 2015	4th Quarter Activities & Cashflow Reports
July 13th 2015	Lapland Project Granted
July 6th 2015	Drilling Copper-Gold Targets
July 2nd 2015	Sale of Exploration Database

Table 6: ASX Announcements for 1st Quarter 2015/2016

CONTACTS

For further information please contact:

Damian Hicks
Managing Director
+61 419 930 087
damianh@hannansreward.com

Amanda Scott
Exploration Manager
+46 703 221 497
amanda@hannansreward.com

Tel: +61 8 9324 3388
Web: www.hannansreward.com
Email: admin@hannansreward.com
Twitter: @hannansreward
Facebook: Hannans Reward

COMPLIANCE STATEMENTS

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

The information in this document that relates to Mineral Resource and Exploration Target Estimates for Pahtohavare is extracted from the report entitled "Re-Release of Maiden JORC Resource at Pahtohavare to Comply with JORC" created on 31 January 2014 and is available to view on the Company's website (www.hannansreward.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and in the case of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this document that relates to Mineral Resource Estimates for Rakkurijoki and Rakkurijärvi is extracted from the report entitled "Kiruna Iron Project JORC Resource Update" created on 17 January 2012 and is available to view on the Company's website (www.hannansreward.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and in the case of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

TENEMENT STATUS FOR 1st QUARTER 2015/2016

CURRENT TENEMENTS

Tenement number	Interest 1st Quarter 2015/2016 Start	Interest 1st Quarter 2015/2016 End	Note
KIRUNA IRON AB			
Location: Norrbotten, Sweden			
Altavaara	100%	100%	
Altavaara Norra	100%	100%	
Gäddmyr nr 1	100%	100%	
Gäddmyr nr 2	100%	100%	
Gäddmyr nr 3	100%	100%	
Pahtohavare nr 2	100%	80%	1
Pahtohavare nr 4	100%	80%	1
Piedjastjåkko nr 6	100%	100%	
Puoltsa nr 4	100%	100%	
Rakkurijärvi nr 2	100%	100%	
Harrejaure nr 1	100%	100%	
Laukujärvi nr 3	100%	100%	
Vieto nr 1	100%	100%	
SCANDINAVIAN IRON AB			
Location: Norrbotten, Sweden			
Ekströmsberg nr 4	100%	100%	
Ekströmsberg nr 5	100%	100%	
SCANDINAVIAN RESOURCES AB			
Location: Västerbotten, Sweden			
Daningen nr 2	100%	100%	
Särksjön nr 2	100%	100%	
Location: Norrbotten, Sweden			
Lannavaara nr 8	100%	100%	
Paljasjärvi nr 2	100%	100%	
Jalokoski nr 1	100%	100%	
Location: Norrbotten, Sweden (Lapland)			
Kaalamakoski nr 1	100%	100%	
Merasjoki nr 1	100%	100%	
Parkajoki nr 1	100%	100%	
Suijaivaara nr 1	100%	100%	
Suorkivaara nr 2	0%	100%	
HANNANS REWARD LTD			
Location: Lake Johnston, Australia			
E63/1365	20%	20%	2

Note:

1 Kiruna Iron AB holds 80% interest and Lovisagruvan AB holds 20% interest.

2 Hannans Reward Ltd holds 20% interest. Reed Exploration Pty Ltd holds 80% interest.

TENEMENTS UNDER APPLICATION

There are no tenements under application.

RELINQUISHED, REDUCED OR LAPSED TENEMENTS

Tenement number	Interest 1st Quarter 2015/2016 Start	Interest 1st Quarter 2015/2016 End	Note
SCANDINAVIAN RESOURCES AB			
Location: Västerbotten, Sweden			
Våtmyrberget nr 6	100%	0%	
Location: Norrbotten, Sweden			
Lannavaara nr 1002	100%	0%	
Lannavaara nr 101	100%	0%	
Lannavaara nr 102	100%	0%	
Lannavaara nr 103	100%	0%	
Lannavaara nr 104	100%	0%	
Location: Norrbotten, Sweden (Lapland)			
Lainio nr 1	100%	0%	
Lumivaara nr 1	100%	0%	
Lumivaara nr 2	100%	0%	
Naakajärvi nr 1	100%	0%	
Naakajärvi nr 2	100%	0%	
Naakajärvi nr 3	100%	0%	
Merasjärvi nr 1	100%	0%	
Merasjoki nr 3	100%	0%	
Parkajoki nr 2	100%	0%	
Tuorerova nr 2	100%	0%	
Tuorerova nr 3	100%	0%	

APPENDIX

Sample ID	Northing	Easting	Prospect	Petrographic Description	MgO (%)	Ni (ppm)	Cu (ppm)	Fe (%)	S (%)
SR15002	7513975	1811148	Lumivaara	Foliated melagabbro	6.3	14	37	11.6	0.26
SR15003	7514023	1811003	Lumivaara	Foliated melagabbro	6.4	114	63	11.35	0.43
SR15004	7507273	1823893	Jalokoski	Olivine-bearing gabbronorite	19.8	669	58	11.2	0.22
SR15005	7508988	1824022	Jalokoski	Pyroxenite	12.0	456	31	7.36	0.07
SR15006	7503092	1821242	Kaalamakoski	Hornblende gabbro	6.1	127	86	8.63	0.31
SR15007	7501506	1827186	Kaalamakoski	Gabbro	7.9	74	84	11.65	<0.01
SR15008	7501506	1827186	Kaalamakoski	Gabbro	9.1	126	13	10.25	<0.01
SR15009	7501506	1827186	Kaalamakoski	Gabbro	8.1	81	13	10.5	<0.01
SR15010	7501506	1827186	Kaalamakoski	Gabbro	6.8	81	45	8.97	<0.01
SR15011	7501506	1827186	Kaalamakoski	Gabbro	8.2	88	157	11.2	0.01
SR15012	7521700	1791380	Teurorova	Monzonite	2.8	1	14	5.88	0.1
SR15013	7556103	1817648	Merasjoki	Anorthosite	0.2	16	12	2.09	0.02
SR15014	7555861	1817289	Merasjoki	Leucogabbro	6.3	97	69	5.74	0.24
SR15015	7555900	1817191	Merasjoki	Hornblende norite	8.5	151	77	7.05	0.18
SR15016	7576629	1798252	Suijaivaara	Gabbro	5.6	51	52	11.85	0.03

Table 1: Sample location, key chemical analysis results and petrographical descriptions of samples collected from the Lapland Cu-Ni-PGE Project, northern Sweden.

Hole ID	Easting (RT90)	Northing (RT90)	Azi	Dip	EOH	Overb.	Core	Start	Finish
PADH15001	1680202	7528163	250	-60	106.9	6.4	100.5	24-06-15	01-07-15
PADH15002	1680174	7528179	250	-60	79.6	4.7	74.9	02-07-15	07-07-15
PADH15003	1680125	7528163	70	-51	49.9	4.8	45.1	08-07-15	09-07-15
PADH15004	1680124	7528161	70	-65	62.9	3	59.9	09-07-15	11-07-15
PADH15005	1680074	7528191	65	-55	72.1	4.2	67.9	11-07-15	15-07-15
PADH15006	1680136	7528191	250	-60	137.3	8.1	129.2	15-07-15	22-07-15
PADH15007	1680107	7528233	250	-60	76.8	2.2	74.6	22-07-15	24-07-15
PARC13001D	1680313	7528176	250	-65	235.3	RC 141m	94.3	25-07-15	31-07-15
PADH15008	1680300	7528148	250	-60	80.5	2.9	77.6	01-08-15	06-08-15

Table 2: Drillhole collar summary for the 2015 diamond drilling programme at the Central deposit.

Hole	Intersection			Mineralisation			Sample
Hole ID	From (m)	To (m)	Intercept Downhole (m)	Cu%	Au (ppm)	Ag (ppm)	Sample Type
PADH15001	28.20	29.20	1.00	0.1355	0.01	x	Half Core
PADH15001	29.20	30.20	1.00	0.233	x	x	Half Core
PADH15001	30.20	31.20	1.00	0.215	0.02	x	Half Core
PADH15001	31.20	32.20	1.00	0.172	x	x	Half Core
PADH15001	32.20	33.20	1.00	0.212	x	x	Half Core
PADH15001	33.20	34.20	1.00	0.297	0.01	x	Half Core
PADH15001	34.20	35.20	1.00	0.1845	x	x	Half Core
PADH15001	45.20	46.20	1.00	0.136	0.02	1.5	Half Core
PADH15001	46.20	47.20	1.00	0.135	0.09	2.1	Half Core
PADH15001	47.20	48.20	1.00	0.711	0.03	2.3	Half Core
PADH15003	4.6	5	0.4	0.353	0.02	x	Half Core
PADH15003	5	6	1	0.168	0.01	x	Half Core
PADH15003	6	7	1	0.206	x	x	Half Core
PADH15003	7	8	1	0.227	0.06	x	Half Core
PADH15003	8	9.2	1.2	0.615	0.04	1.5	Half Core
PADH15003	9.2	10	0.8	0.503	0.06	2	Half Core
PADH15003	10	10.75	0.75	0.574	0.02	0.9	Half Core
PADH15003	10.75	12	1.25	0.921	0.32	1.4	Half Core
PADH15003	12	13	1	0.659	0.11	1	Half Core
PADH15003	13	14	1	0.479	0.04	0.5	Half Core
PADH15003	14	15	1	0.463	0.06	0.9	Half Core
PADH15003	15	16	1	0.194	0.03	x	Half Core
PADH15003	16	17	1	0.171	0.01	x	Half Core
PADH15003	17	18	1	0.266	0.04	0.5	Half Core
PADH15003	18	19	1	0.281	0.01	0.5	Half Core
PADH15003	19	20	1	0.308	0.01	0.6	Half Core
PADH15003	20	21	1	0.133	x	0.5	Half Core
PADH15003	21	22.2	1.2	0.173	x	x	Half Core
PADH15003	22.2	22.9	0.7	0.404	0.16	2.9	Half Core
PADH15003	22.9	24	1.1	1.975	0.67	3.2	Half Core
PADH15003	24	25	1	0.28	x	1.5	Half Core
PADH15003	25	26	1	0.142	0.01	0.8	Quarter Core-Duplicate
PADH15003	26	27	1	0.2	0.02	1	Half Core
PADH15003	27	28	1	0.153	x	x	Half Core
PADH15004	3.3	4.3	1	0.601	0.04	1.4	Half Core
PADH15004	4.3	5.3	1	0.526	0.07	0.8	Half Core
PADH15004	5.3	6.3	1	0.71	0.09	1.9	Half Core
PADH15004	6.3	7.3	1	0.321	0.1	0.6	Half Core
PADH15004	7.3	8.3	1	0.392	0.01	0.5	Half Core
PADH15004	8.3	9.3	1	0.795	x	x	Half Core
PADH15004	9.3	10.3	1	0.682	0.69	1.2	Half Core
PADH15004	10.3	11.3	1	0.326	0.04	1.2	Half Core
PADH15004	11.3	12.3	1	0.195	0.03	x	Half Core
PADH15004	12.3	13.35	1.05	0.328	0.05	x	Half Core
PADH15004	13.35	14	0.65	0.451	0.13	0.5	Half Core
PADH15004	14	15.1	1.1	0.365	0.04	x	Half Core
PADH15004	15.1	16.1	1	0.102	x	x	Half Core

Hole	Intersection			Mineralisation			Sample
Hole ID	From (m)	To (m)	Intercept Downhole (m)	Cu%	Au (ppm)	Ag (ppm)	Sample Type
PADH15004	16.1	17.1	1	0.19	0.01	x	Half Core
PADH15004	17.1	17.5	0.4	0.192	0.07	x	Half Core
PADH15004	17.5	18.5	1	0.565	0.04	0.5	Half Core
PADH15004	18.5	19.5	1	0.0418	x	x	Half Core
PADH15004	19.5	20.5	1	0.0246	x	x	Half Core
PADH15004	20.5	21.5	1	0.294	0.01	x	Half Core
PADH15004	21.5	22.5	1	0.102	0.03	x	Half Core
PADH15004	22.5	23.5	1	0.162	0.02	x	Half Core
PADH15004	23.5	24.5	1	0.0352	x	x	Half Core
PADH15004	24.5	25.5	1	0.459	0.05	x	Half Core
PADH15004	25.5	26.5	1	0.18	0.01	x	Half Core
PADH15004	26.5	27	0.5	0.986	0.02	1.7	Half Core
PADH15004	27	28.2	1.2	2.11	0.36	5.7	Half Core
PADH15004	28.2	29.4	1.2	1.31	0.11	0.7	Half Core
PADH15004	29.4	30.7	1.3	0.274	0.05	1.3	Half Core
PADH15004	30.7	31.7	1	0.203	0.06	x	Half Core
PADH15005	5.2	6.2	1	0.102	0.14	2	Half Core
PADH15005	6.2	7.2	1	0.104	0.18	2.5	Half Core
PADH15005	7.2	8.2	1	1.125	0.57	3.7	Half Core
PADH15005	8.2	9.2	1	0.683	0.68	2.2	Half Core
PADH15005	9.2	10.2	1	1.17	0.14	1.9	Half Core
PADH15005	10.2	10.8	0.6	1.875	0.31	2	Half Core
PADH15005	10.8	11.8	1	4.2	0.47	6.3	Half Core
PADH15005	11.8	12.8	1	2.87	1.19	8.5	Half Core
PADH15005	12.8	13.8	1	3.68	1.41	10.6	Half Core
PADH15005	13.8	14.3	0.5	1.93	2.11	5	Half Core
PADH15005	14.3	15.3	1	2.21	0.61	3.1	Half Core
PADH15005	15.3	16.3	1	3.29	0.17	3.3	Half Core
PADH15005	16.3	17.3	1	1.455	0.14	2.7	Half Core
PADH15005	17.3	18.3	1	0.642	0.11	1.9	Half Core
PADH15005	18.3	19.3	1	2.06	0.34	5.2	Half Core
PADH15005	19.3	20.2	0.9	2.12	0.3	2.1	Half Core
PADH15005	20.2	21.2	1	1.095	0.07	2	Half Core
PADH15005	21.2	22.2	1	0.748	0.17	1.2	Half Core
PADH15005	22.2	23.2	1	0.599	0.04	1.3	Half Core
PADH15005	23.2	24.2	1	0.578	0.08	1.5	Half Core
PADH15005	24.2	25.2	1	0.453	0.19	1.3	Half Core
PADH15005	25.2	26.2	1	0.457	0.16	1.4	Half Core
PADH15005	26.2	27.2	1	0.497	0.4	1.7	Half Core
PADH15005	27.2	28.2	1	0.479	1.56	2.2	Half Core
PADH15005	28.2	29.2	1	1.125	0.66	2.9	Half Core
PADH15005	29.2	30.2	1	0.201	0.18	1.5	Quarter Core-Duplicate
PADH15005	30.2	31.2	1	0.24	0.17	1.7	Half Core
PADH15005	31.2	32.2	1	0.162	0.03	1.1	Half Core
PADH15005	32.2	33.2	1	0.388	0.15	2.3	Half Core
PADH15005	33.2	34.2	1	0.376	0.16	0.5	Half Core
PADH15005	34.2	35.2	1	0.524	0.05	0.6	Half Core
PADH15005	35.2	36.2	1	0.423	0.18	1.4	Half Core
PADH15005	36.2	37.2	1	1.665	0.5	2.7	Half Core

Hole	Intersection			Mineralisation			Sample
Hole ID	From (m)	To (m)	Intercept Downhole (m)	Cu%	Au (ppm)	Ag (ppm)	Sample Type
PADH15005	37.2	38.2	1	0.511	0.43	1	Half Core
PADH15005	38.2	39.2	1	0.452	0.02	0.9	Half Core
PADH15005	39.2	40	0.8	0.79	0.07	1.3	Half Core
PADH15005	40	41	1	1.345	0.29	1.6	Half Core
PADH15005	41	42.5	1.5	6.8	3.61	11.6	Half Core
PADH15005	42.5	43.5	1	3.78	0.79	2.2	Half Core
PADH15005	43.5	44.5	1	3.39	1.51	1.2	Half Core
PADH15005	44.5	45.5	1	2.86	0.61	9.9	Half Core
PADH15005	45.5	46.5	1	3.09	0.78	4.3	Half Core
PADH15005	46.5	47.5	1	8.55	3.89	12.1	Half Core
PADH15005	47.5	48.5	1	15.35	4.39	25.6	Half Core
PADH15005	48.5	49.5	1	13.3	4.18	15.9	Quarter Core-Duplicate
PADH15005	49.5	50.5	1	32.9	x	67.5	Half Core
PADH15005	50.5	51.5	1	31.5	5.89	63.1	Half Core
PADH15005	51.5	52.5	1	3.26	3.29	5.7	Half Core
PADH15005	52.5	52.8	0.3	5.45	0.09	39.6	Half Core
PADH15005	52.8	53.8	1	4.54	3.37	1.9	Half Core
PADH15005	53.8	54.2	0.4	1.39	0.04	2.1	Half Core
PADH15005	54.2	55.2	1	0.82	0.01	x	Half Core
PADH15005	55.2	56.2	1	0.685	0.01	x	Half Core
PADH15005	56.2	57.2	1	0.597	0.01	x	Half Core
PADH15005	57.2	58.2	1	0.313	0.01	x	Half Core
PADH15006	20.07	20.8	0.73	1.195	0.03	1.1	Half Core
PADH15006	20.8	21.8	1	1.52	0.65	2.4	Half Core
PADH15006	21.8	22.8	1	1.195	1.53	2.6	Half Core
PADH15006	22.8	24.2	1.4	0.824	0.2	1.6	Half Core
PADH15006	24.2	25.2	1	1.515	0.09	1.8	Half Core
PADH15006	25.2	26.2	1	1.34	0.16	1.4	Half Core
PADH15006	26.2	27.2	1	0.508	0.25	1.2	Half Core
PADH15006	27.2	28.2	1	1.28	0.17	1.3	Half Core
PADH15006	28.2	29.2	1	0.568	0.28	2	Half Core
PADH15006	29.2	30.2	1	1.855	0.34	0.7	Half Core
PADH15006	30.2	31.2	1	2.49	0.13	x	Half Core
PADH15006	31.2	32.2	1	1.15	x	x	Half Core
PADH15006	32.2	33.2	1	1.45	x	x	Half Core
PADH15006	33.2	34.2	1	2.71	0.09	x	Half Core
PADH15006	34.2	35.2	1	1.275	0.01	x	Half Core
PADH15006	35.2	36.2	1	1.025	x	x	Half Core
PADH15006	36.2	37.5	1.3	2.13	0.18	x	Half Core
PADH15006	37.5	38	0.5	3.12	1.37	x	Half Core
PADH15006	38	38.8	0.8	17.7	9.87	20.9	Half Core
PADH15006	38.8	39.8	1	2.39	0.11	0.9	Half Core
PADH15006	39.8	40.5	0.7	2.48	1.65	1.1	Half Core
PADH15006	40.5	41.5	1	2.25	0.08	1.3	Quarter Core-Duplicate
PADH15006	41.5	42.5	1	0.955	0.21	1.9	Half Core
PADH15006	42.5	43.5	1	1.26	0.07	2.2	Half Core
PADH15006	43.5	44.5	1	1.995	0.12	1.9	Half Core
PADH15006	44.5	45.5	1	0.602	0.03	1.6	Half Core
PADH15006	45.5	46.5	1	0.76	0.41	1.9	Half Core

Hole	Intersection			Mineralisation			Sample
Hole ID	From (m)	To (m)	Intercept Downhole (m)	Cu%	Au (ppm)	Ag (ppm)	Sample Type
PADH15006	46.5	47.5	1	0.398	0.02	0.5	Half Core
PADH15006	47.5	48.5	1	0.283	0.01	0.6	Half Core
PADH15006	48.5	49.5	1	0.0874	0.01	x	Half Core
PADH15006	49.5	50.5	1	0.102	0.01	x	Half Core
PARC13001D	155	156	1	1.475	0.23	3.2	Half Core
PARC13001D	156	157	1	0.178	0.04	x	Half Core
PARC13001D	157	157.7	0.65	0.561	0.04	x	Half Core
PARC13001D	157.65	159	1.35	2.31	0.2	3.6	Half Core
PARC13001D	159	160	1	0.334	0.2	0.8	Half Core
PARC13001D	160	160.7	0.7	0.716	0.59	x	Half Core
PARC13001D	160.7	161.8	1.1	1.6	0.26	x	Half Core
PARC13001D	161.8	162.8	1	0.943	0.07	x	Half Core
PARC13001D	162.8	163.8	1	0.996	0.27	0.7	Half Core
PARC13001D	163.8	164.8	1	0.425	0.05	0.7	Half Core
PARC13001D	164.8	165.8	1	0.422	0.18	x	Half Core
PARC13001D	165.8	167	1.2	1.12	0.41	1	Half Core
PARC13001D	167	168.3	1.3	10.05	2.77	1.6	Half Core
PARC13001D	168.3	169	0.7	1.205	0.25	1.9	Quarter Core-Duplicate
PARC13001D	169	170	1	0.438	0.08	0.8	Half Core
PARC13001D	170	171	1	0.228	0.02	0.5	Half Core
PARC13001D	171	172	1	0.145	0.01	x	Half Core
PARC13001D	172	173	1	0.107	0.05	x	Half Core
PARC13001D	176	177	1	0.166	0.06	x	Half Core
PARC13001D	177	178	1	2.5	0.76	3.3	Half Core
PARC13001D	178	179	1	0.276	0.16	x	Half Core
PARC13001D	179	180	1	0.411	0.2	1.4	Half Core
PARC13001D	180	181	1	0.37	0.06	1.2	Half Core
PARC13001D	181	182	1	0.121	x	x	Half Core
PARC13001D	182	183	1	0.0551	0.02	x	Half Core
PARC13001D	183	184	1	0.107	0.02	x	Half Core
PARC13001D	184	185	1	0.44	0.08	0.5	Half Core

Table 3: Detailed assay results for all significant intercepts reported for diamond drilling at the Pahtohavare Project. Reported using a 0.1% cut-off and 1m internal dilution. Samples submitted to ALS Global (Piteå) for ME-ICPMS61 and Au-AA25 analysis.

JORC Code, 2012 Edition

Table 1, Section 1-Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	∂ *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* ∂ *Include reference to measures taken to ensure sample "representivity" and the appropriate calibration of any measurement tools or systems used.* ∂ *Aspects of the determination of mineralisation that are Material to the Public Report.* ∂ *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	PAHTOHAVARE DRILLING ∂ Sampling method is half-core sampling of HQ3 and NQ3 diamond drill core. Quarter-core sampling utilised where a duplicate samples have been taken. ∂ Sampling was carried out under Hannans' sampling protocols and QAQC procedures as per industry best practice. ∂ Diamond drilling completed using HQ3 and NQ3 coring equipment. Drillholes have been sampled on geological intervals (0.5-2.0m). All samples have been crushed, dried and pulverised (total prep) to produce a sub sample for multi-element analysis by four acid digest with ICPMS/OES and fire assay and AAS for gold. PAHTOHAVARE METALLURGY ∂ RC crusher rejects and pulp samples were used for the current metallurgical testwork. ∂ Diamond core crusher rejects and pulp samples were used for the current metallurgical testwork. ∂ Half core from diamond drillhole PAH05002 was used for the current metallurgical testwork. LAPLAND SAMPLING ∂ Samples were collected from selected outcrop and glacial boulders. ∂ The outcrop samples are considered representative but the boulder samples are not.
Drilling techniques	∂ *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	PAHTOHAVARE DRILLING ∂ Diamond drilling completed by Kati Oy from Finland. ∂ Diamond drilling completed using HQ3 and NQ3 (triple tube) core drilling equipment. ∂ No core orientations have been taken. ∂ Downhole surveying completed using a gyroscopic survey instrument. PAHTOHAVARE METALLURGY ∂ The historic drilling (PAH05002) was completed using diamond drilling. The size was WL76 with a core diameter of 57.5mm. ∂ The RC drilling was completed using a 5", face sampling hammer bit. LAPLAND SAMPLING ∂ Not applicable-no drilling results reported.
Drill sample recovery	∂ *Method of recording and assessing core and chip sample recoveries and results assessed.* ∂ *Measures taken to maximise sample recovery and ensure representative nature of the samples.* ∂ *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	PAHTOHAVARE DRILLING ∂ Core recoveries are measured by the drillers for every drill run. The core length recovered is physically measured for each run, recorded and used to calculate the core recovery as a percentage of core recovered. Any core loss is recorded on a core block by the drillers. ∂ Triple tube drilling and the use of drilling additives has been utilised to increase core recovery. ∂ The ore zone is located within a strongly oxidised and deformed unit where core loss does occur. A sampling bias has not been determined. PAHTOHAVARE METALLURGY ∂ The diamond drill sample recovery for all holes was recorded by the geologists who originally logged the holes and also via core blocks placed by the drillers.

Criteria	JORC Code explanation	Commentary
		∂ There were no sample recovery issues with the RC drilling. ∂ Core loss is quite common in oxidised zones and where the core is noticeably broken. The samples taken from the transition to fresh zones had excellent recovery. ∂ The mineralisation is often associated with this zone of poorer recovery and oxidation. LAPLAND SAMPLING ∂ Not applicable-no drilling results reported.
Logging	∂ *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* ∂ *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* ∂ *The total length and percentage of the relevant intersections logged.*	PAHTOHAVARE DRILLING ∂ All drillcore has been transported from site to the SGU Core Archive located in Malå for cleaning, reconnection of core lengths and measurement of metre marks where required, over the entire hole. ∂ Geological logging has been completed on the entire length of all holes by Amanda Scott, Hannans' Exploration Manager, who has significant experience in this style of exploration. ∂ The lithological, alteration and structural characteristic of the core are logged in digital format and following established procedures. ∂ All data is subsequently imported into Hannans' Datashed database located in Perth. ∂ All drillholes are photographed. PAHTOHAVARE METALLURGY ∂ All diamond and RC holes have been logged in their entirety and sampled by geologists at the time of drilling. All drill core has been stored in the Swedish Geological Survey's core archive facility in Malå, Sweden. LAPLAND SAMPLING ∂ Not applicable-no drilling results reported.
Sub-sampling techniques and sample preparation	∂ *If core, whether cut or sawn and whether quarter, half or all core taken.* ∂ *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* ∂ *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* ∂ *Quality control procedures adopted for all sub-sampling stages to maximise representative nature to the samples.* ∂ *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* ∂ *Whether sample sizes are appropriate to the grain size of the material being sampled.*	PAHTOHAVARE DRILLING ∂ All samples delivered to ALS Global in Malå where the core was cut and sampled. ∂ All samples are half-core except for duplicate samples in which case quarter-core samples have been taken. ∂ The sample preparation follows industry best practice sample preparation; the samples are finely crushed with 70% passing <2mm then reduced in a splitter whereby a reject sample and a 250g sample is produced. The 250g sample is then pulverised with 85% passing <75 microns which completely homogenises the sample. A sub-sample of pulp is taken for digestion in a four acid digest and fire assay for gold. ∂ Duplicate sampling has been completed at a rate of 1:40 where practicable; duplicate results for all holes are satisfactory. ∂ Certified reference material standards have been inserted at a rate of 1:20; standard results for all holes are within accepted limits. ∂ The sample sizes are considered appropriate for the type of mineralisation (epigenetic copper-gold) under consideration. PAHTOHAVARE METALLURGY ∂ RC crusher rejects and pulp samples were used for the current metallurgical testwork. ∂ Diamond core crusher rejects and pulp samples were used for the current metallurgical testwork. ∂ Half core from diamond drillhole PAH05002 was used for the current metallurgical testwork. ∂ The sample types are considered appropriate for the type of mineralisation and the metallurgical testing. LAPLAND SAMPLING ∂ No sample preparation was completed by the Company on samples collected in the field.

Criteria	JORC Code explanation	Commentary
		∂ The sample preparation at ALS Piteå follows industry best practice sample preparation; the samples are finely crushed with 70% passing <2mm then reduced in a splitter whereby a reject sample and a 250g sample is produced. The 250g sample is then pulverised with 85% passing <75 microns which completely homogenises the sample. A sub-sample of pulp is taken for digestion in a four acid digest and fire assay for gold. ∂ Laboratory assay duplicates and standards all reported within acceptable limits. ∂ The sample sizes are considered appropriate for reconnaissance field mapping.
Quality of assay data and laboratory tests	∂ *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* ∂ *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* ∂ *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	PAHTOHAVARE DRILLING ∂ All samples are assayed using a four acid digest multi-element suite with ICPOES or ICPMS finish. The acids used are hydrofluoric, nitric, hydrochloric and perchloric with the method approaching near total digest for most elements. ∂ All samples are assayed for gold by firing a 25g sample with an AAS finish. ∂ The analytical methods are considered appropriate for this style of mineralisation. ∂ No geophysical tools or handheld instruments were utilised in the preparation of this release. ∂ Duplicate sampling has been completed at a rate of 1:40 where practicable; duplicate results for all holes are satisfactory. ∂ Certified reference material standards have been inserted at a rate of 1:20; standard results for all holes are within accepted limits. ∂ Laboratory QAQC methods include the insertion of certified reference material standards, blanks, and duplicates. PAHTOHAVARE METALLURGY ∂ All physical preparation and testwork has been completed by a reputable laboratory, Activation Laboratories in Ontario, Canada. ∂ The testwork has been designed and supervised by independent metallurgical consultants from Independent Metallurgical Operations Pty Ltd (IMO) in Perth, Australia. LAPLAND SAMPLING ∂ All samples were assayed using a four acid digest multi-element suite with ICPOES or ICPMS finish. The acids used are hydrofluoric, nitric, hydrochloric and perchloric with the method approaching near total digest for most elements. ∂ All samples were assayed for gold, platinum and palladium by firing a 30g sample with an ICP-AES finish. ∂ The analytical methods are considered appropriate for this style of mineralisation. ∂ Laboratory QAQC methods include the insertion of certified reference material standards, blanks, and duplicates.
Verification of sampling and assaying	∂ *The verification of significant intersections by either independent or alternative company personnel.* ∂ *The use of twinned holes.* ∂ *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* ∂ *Discuss any adjustment to assay data.*	PAHTOHAVARE DRILLING ∂ Determination of the reported downhole interval of mineralisation has been verified by Exploration Director Stefan Sädbom, of the Joint Venture partner. ∂ None of the drillholes referred to in this release have been twinned to date. ∂ All geological and location data was captured in Excel format. Data entry has been by manual input and validation of the small amount of data has been done by checking input on screen prior to saving. All data has been forwarded to the database administrator in Perth for loading and validation into Hannans' Datashed database. ∂ No adjustments or calibrations have been made to any assay data used in this report. PAHTOHAVARE METALLURGY ∂ The dispatch of all samples used in the current testwork was

Criteria	JORC Code explanation	Commentary
		completed and verified by the Company's Exploration Manager. ∂ All results have been verified by the Company's independent metallurgical consultant, IMO Pty Ltd who are acting as the Competent Person for metallurgical results. LAPLAND SAMPLING ∂ Not applicable-no drilling results reported. ∂ No assay results have been adjusted except for Mg; the Mg values were multiplied by 1.6582 to give the corresponding MgO value as reported in this announcement.
Location of data points	∂ *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* ∂ *Specification of the grid system used.* ∂ *Quality and adequacy of topographic control.*	PAHTOHAVARE DRILLING ∂ Drillhole locations have been planned using a combination of GIS software packages. ∂ Drillhole locations have been determined using a Garmin handheld GPS unit with an accuracy of +/- 1m. Drill azimuths were laid-out with a hand-held Suunto compass that has a precision of +/- 0.5 degrees. ∂ Downhole surveys have been completed using a gyroscopic instrument at regular intervals. ∂ Grid system is Swedish Coordinate system RT90 2.5 west. ∂ Topographic control has been established by previous surveying of historic drillhole collars by RTK GPS. This data has been used to calibrate the Hannans' handheld GPS. PAHTOHAVARE METALLURGY ∂ Original hole collar locations were determined by handheld GPS with an accuracy of ±1m. ∂ The grid system used is Swedish Coordinate system RT90 2.5V. ∂ Topographic control at Pahtohavare has been established by previous surveying of historic drill collars by RTK GPS. LAPLAND SAMPLING ∂ Rock chip samples locations were determined by handheld GPS with an accuracy of ±1m. ∂ The grid system used is Swedish Coordinate system RT90 2.5V.
Data spacing and distribution	∂ *Data spacing for reporting of Exploration Results.* ∂ *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* ∂ *Whether sample compositing has been applied.*	PAHTOHAVARE DRILLING ∂ The current data spacing or drill profile separation is approximately 25-50m, hole spacing varies depending on the purpose of the drillhole but is typically 20-30m between holes within a drill profile. ∂ The data spacing and distribution is considered sufficient to establish a degree of geological and grade continuity. ∂ No sample compositing has been applied. PAHTOHAVARE METALLURGY ∂ All samples (both RC and diamond) are taken from drillholes located within the Central Deposit at Pahtohavare. ∂ The typical profile spacing at Central is currently between 25-50m. LAPLAND SAMPLING ∂ Not applicable-no drilling results reported. ∂ No sample compositing was undertaken.
Orientation of data in relation to geological structure	∂ *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* ∂ *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	PAHTOHAVARE DRILLING ∂ The majority of drillholes drilled at the Central deposit have been drilled perpendicular (250°) to the interpreted dip of the lithology. ∂ All reported mineralised intercepts are downhole widths and are not true widths. The intercepts reported may not represent the true width and should be taken within the context described in the preceding point. PAHTOHAVARE METALLURGY ∂ The majority of drillholes drilled at the Central deposit have been drilled perpendicular (250°) to the interpreted dip of the

Criteria	JORC Code explanation	Commentary
		lithology. LAPLAND SAMPLING ∂ Samples were collected at random where outcrop or boulders occurred. It is unknown if this results in biased or unbiased sampling.
Sample security	∂ *The measures taken to ensure sample security.*	PAHTOHAVARE DRILLING ∂ All drill core transport and logging has been completed by Amanda Scott, Hannans' Exploration Manager. All holes are stored in a locked facility. PAHTOHAVARE METALLURGY ∂ The dispatch of all samples used in the current testwork was completed and verified by Amanda Scott, Hannans' Exploration Manager. ∂ DHL was used to transport the samples from Sweden to Canada. ∂ No breaches of security were reported. LAPLAND SAMPLING ∂ All samples were collected and transported to the Company's office in Malå by Amanda Scott, Hannans' Exploration Manager prior to being dispatched to ALS Piteå by courier.
Audits or reviews	∂ *The results of any audits or reviews of sampling techniques and data.*	PAHTOHAVARE DRILLING ∂ No external audits or reviews of the sampling techniques and data have been completed. PAHTOHAVARE METALLURGY ∂ Metallurgical testwork techniques are considered industry standard. ∂ No specific audit or review of the current testwork has been undertaken although the Company's independent metallurgical consultant, IMO, has provided guidance and review. LAPLAND SAMPLING ∂ The results have been reviewed by Dr Jon Hronsky of Western Mining Services in Perth.

Section 2-Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	∂ *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* ∂ *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	PAHTOHAVARE DRILLING ∂ The Central deposit is located on exploration permit Pahtohavare nr 2 owned 100% by Hannans' fully owned Swedish subsidiary Kiruna Iron Ab. The permit is located approximately 8km to the southwest of the town of Kiruna, northern Sweden. ∂ In March 2015 Hannans entered into a Joint Venture Agreement with Swedish mining company Lovisagruvan Ab at the Pahtohavare Project. The JV is staged but Hannans will retain a 25% free carried interest through to a decision to mine. ∂ Exploration permit Pahtohavare nr 2 is in good standing with the local mining authority, Bergsstaten. PAHTOHAVARE METALLURGY ∂ See above. LAPLAND SAMPLING ∂ The samples collected were located on various exploration permits owned 100% by Hannans' fully owned Swedish subsidiary Scandinavian Resources Ab. ∂ The permits are free of any known impediments.
Exploration done by other parties	∂ *Acknowledgment and appraisal of exploration by other parties.*	PAHTOHAVARE DRILLING ∂ Historical diamond drilling was completed by SGU (Swedish Geological Society) in the late 1980's. From this drilling selected holes have been check assayed by Hannans. In 2013 Hannans released a JORC Inferred Mineral Resource Estimate for the

Criteria	JORC Code explanation	Commentary
		Central deposit and also completed an 8-hole RC programme. Hannans is satisfied with the previous QAQC and assay methods used by SGU. PAHTOHAVARE METALLURGY ∂ See above. LAPLAND SAMPLING ∂ No known previous mineral exploration. Swedish Geological Survey mapping has been completed.
Geology	∂ *Deposit type, geological setting and style of mineralisation.*	PAHTOHAVARE DRILLING ∂ The mineralisation at the Central deposit has been classified as epigenetic copper-gold. Whilst the ore appears to be preferentially located within a brecciated, highly altered (silica-albite) and oxidised felsic tuffite, recent drilling (RC in 2013 and current diamond drilling) by Hannans has shown that copper mineralisation also occurs in the black graphitic shales sitting stratigraphically above the felsic tuff and also in the mafic sill (gabbro) which dominates the footwall. It has become apparent from the current drilling programme that there is a strong supergene control on secondary mineralisation in addition to lithological and structural controls. A new geological interpretation is required for the Central deposit as a result of the current drilling. PAHTOHAVARE METALLURGY ∂ See above. LAPLAND SAMPLING ∂ Little is known about the geology at the various prospects where the samples were collected due in large part to the thick glacial overburden and lack of outcrop. The petrographical work shows the majority of the samples were undifferentiated gabbros; one sample was classified as ultramafic. The targeted mineralisation style is magmatic nickel-copper-PGE mineralisation.
Drill hole Information	∂ *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ∂ *easting and northing of the drill hole collar* ∂ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ∂ *dip and azimuth of the hole* ∂ *down hole length and interception depth* ∂ *hole length.* ∂ *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	PAHTOHAVARE DRILLING ∂ Refer to Table 2 & 3 of this report for a summary of all appropriate drillhole information. PAHTOHAVARE METALLURGY ∂ The drillhole information for the diamond and RC holes used for the metallurgical testwork have previously been released to the market. The drillhole information has not been repeated in this announcement as it is not deemed material in the context of this report/results. LAPLAND SAMPLING ∂ Not applicable-no drilling results reported.
Data aggregation methods	∂ *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* ∂ *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	PAHTOHAVARE DRILLING ∂ High-grade significant intercepts in this report are based on ≥ 1% Cu and include up to 1m of internal dilution. ∂ The lower-grade, wider significant intercepts in this report are based on a 0.1% Cu lower cut-off grade and up to 1m of internal dilution. ∂ No high-grade cut-off has been used in this report. ∂ Length-weighted averaging has been used to calculate all intercepts in this report. Length-weighted averaging has been used given that sampling intervals were determined geologically and not always nominally.

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	∂ *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	∂ No metal equivalents have been used in this report. PAHTOHAVARE METALLURGY ∂ Head assays have been obtained from a homogenised sample comprised of mineralisation across multiple holes which is considered to be representative of the orebody. LAPLAND SAMPLING ∂ Not applicable-no drilling results reported.
Relationship between mineralisation widths and intercept lengths	∂ *These relationships are particularly important in the reporting of Exploration Results.* ∂ *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.* ∂ *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	PAHTOHAVARE DRILLING ∂ The reported mineralisation intercepts are downhole widths and not true widths, which are unknown at this time. ∂ The geometry of the mineralisation whilst historically has been interpreted to dip between 50-70° towards the east, the current drilling programme has shown that a supergene effect maybe more pronounced than originally interpreted and as such the orientation of the mineralisation at the Central deposit is not fully understood. PAHTOHAVARE METALLURGY ∂ See above. LAPLAND SAMPLING ∂ Not applicable-no drilling results reported.
Diagrams	∂ *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	PAHTOHAVARE DRILLING ∂ Appropriate maps, photographs and tabulations are included in the main body of this report. PAHTOHAVARE METALLURGY ∂ Figure 2 in the Company's ASX release dated 21st January 2015 shows the location of the drillholes used in the current metallurgical testwork in relation to the orebody wireframes. LAPLAND SAMPLING ∂ Map showing permit locations, a table of results and photos have all been included in the body of this announcement.
Balanced reporting	∂ *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	PAHTOHAVARE DRILLING ∂ The report provides the total information available to date and is considered to represent a balanced report. PAHTOHAVARE METALLURGY ∂ See above. LAPLAND SAMPLING ∂ See above.
Other substantive exploration data	∂ *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	PAHTOHAVARE DRILLING ∂ Previous exploration results, including the JORC Inferred Mineral Resource Estimate for Pahtohavare, have been previously reported. No other exploration data is considered material at this stage. PAHTOHAVARE METALLURGY ∂ See above. LAPLAND SAMPLING ∂ No other mineral exploration data exists.
Further work	∂ *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* ∂ *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	PAHTOHAVARE DRILLING ∂ All drilling and metallurgical results have now been reported. ∂ Future work will include additional drilling, trenching or trial mining to gain a better understanding of the mineralisation at Central. PAHTOHAVARE METALLURGY ∂ A detailed flowsheet and proposal have been received from Perth based company MPS to complete testwork utilising their proprietary GlyLeach process. LAPLAND SAMPLING ∂ Detailed mapping and shallow bedrock drilling of the priority prospects is being planned.