

HANNANS

11 April 2016

ASX & MEDIA ANNOUNCEMENT

Placement, Underwritten SPP and Preferred Contractor Agreement

- ∂ Placement agreed with sophisticated investors to raise \$333,300
- ∂ Share purchase plan to raise circa \$1.25 million, currently underwritten to \$1.10 million
- ∂ Sophisticated investors support focus on gold and nickel opportunities in Western Australia
- ∂ Hannans enters into preferred contractor agreement with Australian Contract Mining Pty Ltd

West Australia gold and nickel company Hannans Reward Ltd (ASX:HNR) (**Hannans** or the **Company**) is pleased to advise it has entered into agreements with sophisticated investors to raise \$333,300 on similar terms to the strategic placement to Neometals Ltd announced to ASX on 4 March 2016¹. The placement is subject to shareholder approval at a meeting to be held on 19 May 2016. None of the sophisticated investors are related parties of Hannans.

Hannans is also pleased to offer shareholders the opportunity to subscribe for fully paid ordinary shares under a Share Purchase Plan (SPP or Plan). The shares issued pursuant to the Plan will be **priced at a 20% discount** to the volume weighted average price (VWAP) of Hannans shares in the five days prior to the Plan closing.

The SPP, which is open to all eligible shareholders, is expected to raise circa \$1.25 million and is currently underwritten to the value of \$1.10 million. The maximum number of fully paid ordinary shares to be issued pursuant to the SPP is 235,339,840. Sophisticated investors that participated in the placement are also participating in the underwriting. The underwriters may be issued with shares pursuant to the Plan where eligible shareholders elect not to subscribe for the maximum number of shares available to them. The record date for the SPP is 8 April 2016 and SPP documentation will be dispatched to shareholders on 14 April 2016.

Hannans is also pleased to announce that it has signed a five year preferred contractor agreement with Australian Contract Mining Pty Ltd (ACM) whereby ACM will provide Hannans with mining services on terms that Hannans considers competitive with reference to prevailing market conditions at the time. ACM is a West Australian based mining services company that provides:

- Project management services;
- Underground mining services;
- Diamond drilling services; and
- Raise boring services.

For further information please contact:

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¹ 0.4 cents per share with a 1 for 2 free attaching option exercisable at 0.4c on or before 15 May 2018

About Hannans Reward Ltd

Hannans Reward Ltd (ASX:HNR) is an ASX listed company with a focus on gold and nickel opportunities in Western Australia. Hannans' subsidiary companies have interests in copper, gold, nickel, iron and lithium projects in Sweden.

Since listing on the Australian Securities Exchange on 5 December 2003 Hannans has signed agreements with Vale Inco, Rio Tinto, Anglo American, Boliden, Warwick Resources, Cullen Resources, Azure Minerals, Neometals, Tasman Metals, Grängesberg Iron, Lovisagruvan and Australian Contract Mining.

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.