

HANNANS

24 December 2012

ASX & MEDIA ANNOUNCEMENT

UPDATE ON SALE OF SWEDISH COPPER PROSPECT

Hannans Reward Ltd (**Hannans**)(ASX:HNR) and Avalon Minerals Limited (**Avalon**) (ASX:AVI) announced on 16 October 2012 that they had signed a binding Heads of Agreement (HoA) in relation to the sale and purchase of the Discovery Zone Prospect, located in Kiruna, Sweden.

On 26 November 2012 the companies agreed to extend the Due Diligence period through to 21 December 2012. During the course of the Due Diligence process it became apparent that the sale and purchase arrangements contemplated by the HoA were not optimal for either Hannans or Avalon. Consequently both companies have allowed the existing HoA to lapse.

Hannans and Avalon are now working to reach a new agreement that would see the Discovery Zone being sold to Avalon for the previously agreed amount of AU\$4M. The aim is to reach a new binding agreement during January 2013.

For further information please contact:

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