

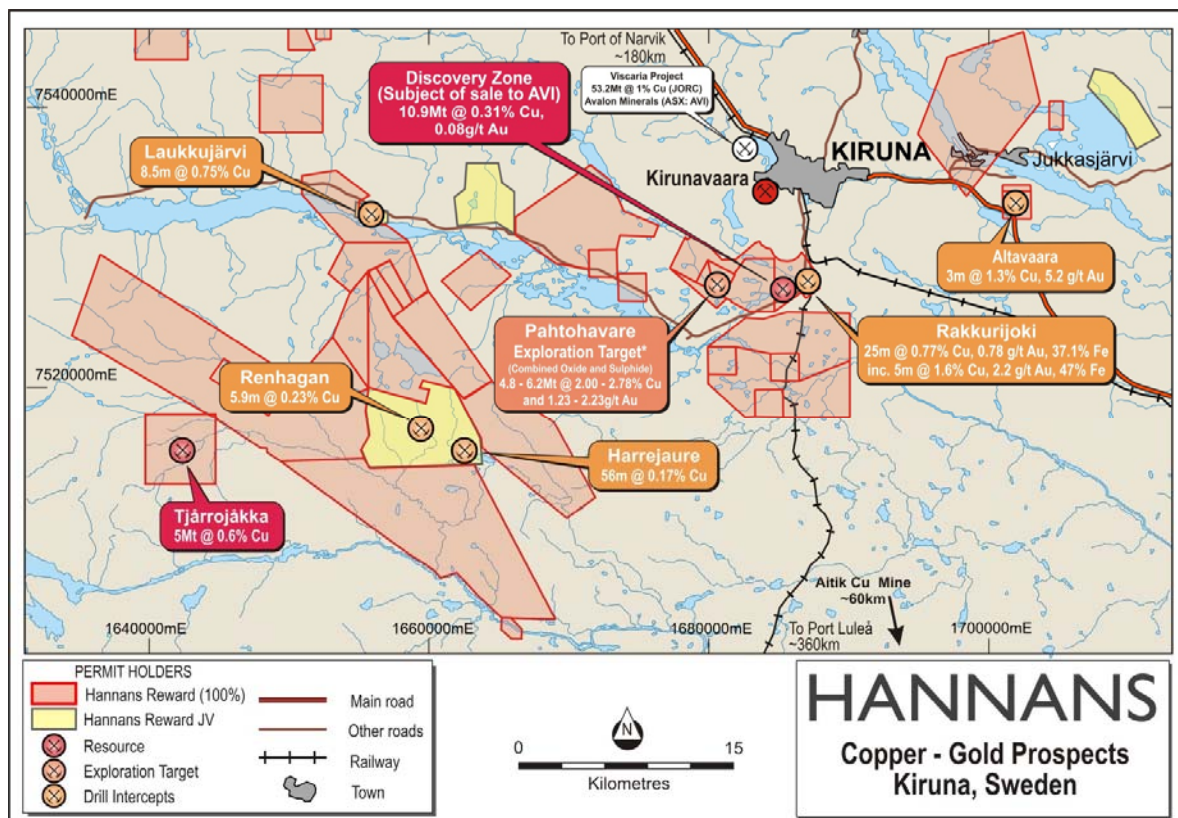
21<sup>st</sup> November 2012

ASX & MEDIA ANNOUNCEMENT

## COPPER-GOLD EXPLORATION UPDATE KIRUNA, SWEDEN

- § New copper-gold JORC Exploration Target<sup>1</sup> calculated for Pahtohavare (Refer Table 1)
- § High-grade copper-gold intercepted from iron drilling at Rakkurijoki (Refer Figure 1)

Hannans Reward Ltd (Hannans) is pleased to provide an exploration update on its copper-gold portfolio within the Kiruna District, Sweden. The Kiruna copper-gold portfolio is located within the same tenure as Hannans first-class iron ore portfolio. To date Hannans has discovered new copper-gold mineralisation through diamond drilling at five of its iron projects within the Kiruna District including Rakkurijoki, Altavaara, Laukkujärvi, Renhagen and Harrejaure. Previous explorers have also identified copper-gold mineralisation at Pahtohavare, Discovery Zone, and Tjärrojåkka. All of the aforementioned copper-gold occurrences (which include historic mining activity, JORC resources and JORC Exploration Targets) are within Hannans' tenure.



<sup>1</sup> 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.

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PAHTOHAVARE

- JORC Exploration Target calculated (Refer Table I)
- Airborne geophysical (EM) anomaly to be followed up with ground survey (TEM)
- RC drill planning and work permit process to commence

The Pahtohavare copper-gold project is located 8km southwest of Kiruna, Sweden and approximately 2km from the Company's flagship Rakkuri Iron Project (Refer Location Map). The Pahtohavare copper-gold project is comprised of three separate orebodies, namely the Southern, South Eastern and Central. The mineralisation at Pahtohavare was first discovered in 1984 by Swedish Government exploration company NSG through deep moraine sampling. The orebodies were mined by Finnish mining company Outokumpu as satellite orebodies to the main Viscaria mine (owned by Avalon Resources Ltd) that they were also mining at the time.

The Southern and South Eastern orebodies are both sulphide deposits comprised primarily of the copper mineral chalcopyrite. The Central orebody however is an oxide deposit with copper present mainly as malachite, azurite and bornite. Due to the copper at the Central orebody being oxide and carbonate bound, the material that was mined by Outokumpu was not successfully recovered through the processing facilities at Viscaria and therefore the Central orebody essentially remains un-mined.

During the last Quarter Hannans initiated a review of all historical data at Pahtohavare and the surrounding area which has included the digitising of more than 300 diamond drillholes and assays and a large geochemical dataset.

The review has already identified multiple geochemical and geophysical anomalies which remain to be tested by drilling. The highest priority target identified to date is a large airborne EM anomaly located in a down-dip position from the Central oxide orebody. A fixed-loop EM survey has been planned to further define the airborne EM anomaly ahead of drill testing; subject to approval the survey is scheduled for early 2013.

As part of the current review of Pahtohavare a JORC Exploration Target (Table I below) has been generated taking into account the pre-mining resources and the actual mined tonnages produced by Outokumpu; it does not take into estimate tonnages from potential new discoveries within the project area. The Exploration Target also takes into account information ascertained from more than 300 historic diamond drillholes.

**Table I:** JORC Exploration Target<sup>2</sup> for Pahtohavare

	Mt	Cu (%)	Au (g/t)
Fresh	3.5-4.5	2.0-3.0	1.5-2.5
Oxide	1.3-1.7	2.0-2.2	0.5-1.5
<b>Total (Oxide +Fresh)</b>	<b>4.8-6.2</b>	<b>2.00-2.78</b>	<b>1.23-2.23</b>

Continued over...

RAKKURIJOKI

<sup>2</sup> 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.

# HANNANS REWARD LTD

- Wide zone of copper-gold mineralisation intercepted

Recent assay results received from diamond drilling at the Rakkurijoki iron deposit have identified a wide zone of copper-gold mineralisation within the magnetite ore:

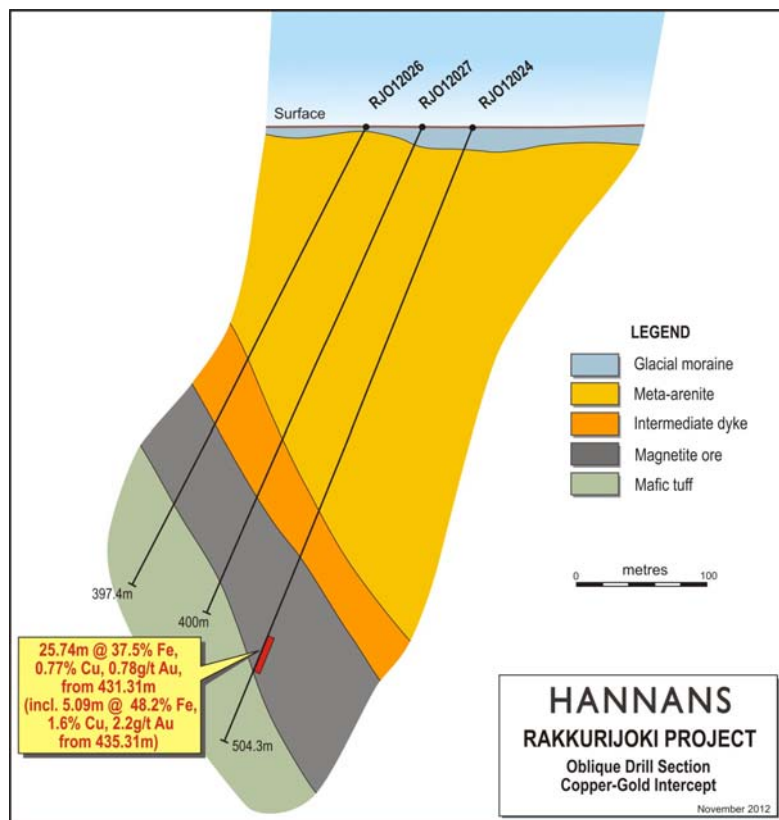
§ 25.74m @ 0.77% Cu, 0.78g/t Au and 37.5% Fe from 431m

§ Inc. 5.09m @ 1.6% Cu, 2.2g/t Au and 48.2% Fe from 435m

The chalcopyrite-pyrite ± minor pyrrhotite mineralised zone was intercepted from a depth of 431m downhole and appears to be related to a shear zone; the bottom contact is intensely deformed with fault gouge identified in the drill core. The chalcopyrite is mainly disseminated but also occurs as veinlets and fracture fillings. The strongest mineralisation appears to be associated with a calcite dominated micro-breccia, with chalcopyrite occurring as matrix infill. Whilst other drillholes at Rakkurijoki have intercepted zones of shearing, none to date have intercepted associated copper-gold mineralisation. Further investigation into this recent intercept is therefore required to gain a better understanding of what is different about this shear zone and whether it can be traced along strike or down-dip.

This copper-gold intercept at Rakkurijoki further confirms the Kiruna District as an emerging IOCG district.

Figure 1: Rakkurijoki drill section



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## COMPETENT PERSONS STATEMENT

## HANNANS REWARD LTD

### *Competent Persons Statement-Exploration Results*

The information in this document that relates to exploration results is based on information compiled by Ms Amanda Scott, Exploration Manager, Hannans Reward Ltd, who is a Member of the Australian Institute of Mining and Metallurgy. Ms Scott is a full-time employee of Hannans Reward Ltd. Ms 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 by the 2004 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms Scott consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

### *Competent Persons Statement-Exploration Targets*

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 Fellow of the Australasian Institute of Mining and Metallurgy. 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.