

# Nickel Project Divestment



OCTOBER 2012

# HANNANS

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2

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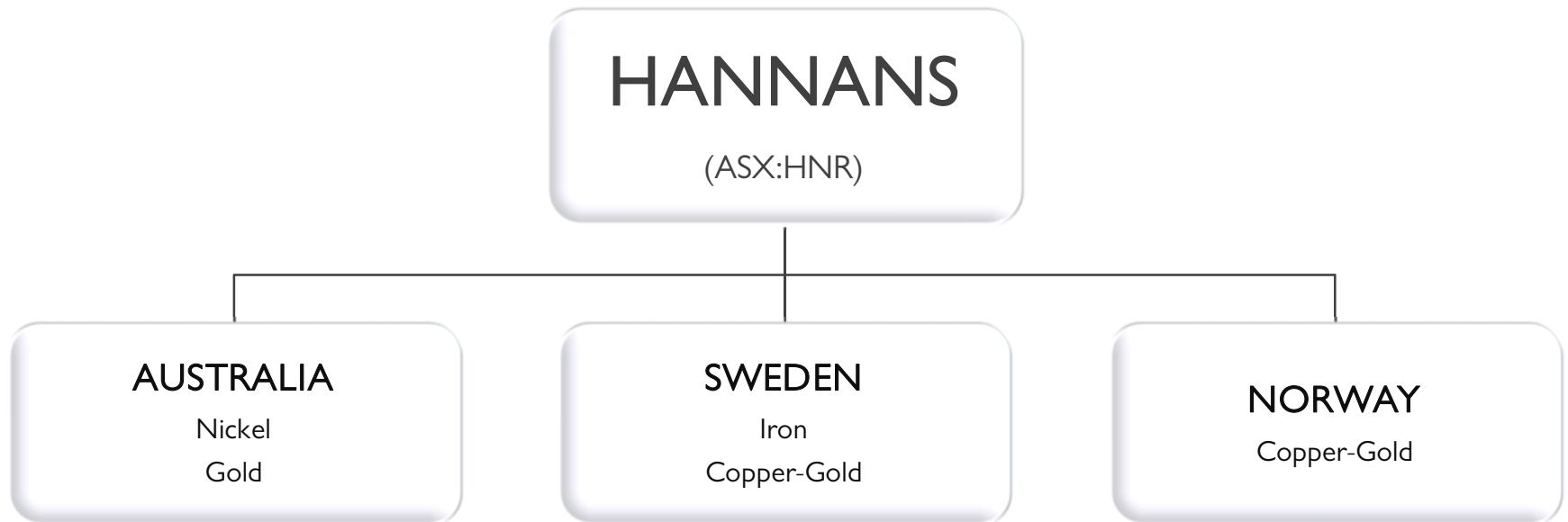
# The Opportunity

3

- Hannans is offering an opportunity for companies, based in Australia and overseas, to enter Western Australia's nickel sulphide industry
- Hannans is offering exposure to three well located nickel sulphide projects
- Hannans provides exposure to one of Australia's highest grade-lowest cost nickel producing belts
- Hannans provides exposure to a new sequence of komatiites that hosts nickel sulphide mineralisation
- Hannans provides exposure to large contiguous tenure positions in established greenstone belts, excellent datasets and drill ready targets

# Organisational Structure

4



# History (2002 – 2012)

5

- Hannans has built a high quality team of geoscientists in Australia, Sweden and Norway
- Hannans has consolidated major tenure positions in two nickel producing belts, developed extensive high quality datasets, generated a number of nickel targets that remain to be tested and discovered nickel sulphide mineralisation in a previously underexplored geological setting
- Hannans built a major tenure position in the East Pilbara, discovered high grade iron and subsequently played a role in the consolidation of the iron sector in the East Pilbara
- Hannans aggregated a major tenure position in Europe's #1 iron district and within two years has compiled a large global JORC resource and Exploration Target
- Hannans identified high grade copper-gold mineralisation in Sweden and Norway
- Hannans has completed transactions with Vale Exploration, Anglo American Exploration and Rio Tinto Exploration

# The Process

6

- Hannans is process orientated
- Hannans aggregates large tenure positions in well endowed mineral provinces
- Hannans evaluates historical information, collects new data, identifies targets and test targets after maximising information within the three key datasets – geology, geochemistry and geophysics
- Hannans seeks partners to continue the exploration and discovery process
- Hannans is building a portfolio of minerals opportunities to balance the risk / return equation

# Aim of Divestment Process

7

- To place Hannans' three nickel sulphide projects in the hands of credible, well funded organisation(s) that will complete the next stage of exploration, with the aim of making an economic discovery.
- To share future risks and rewards with an incoming exploration partner
- To remain exposed to the discovery success by retaining a joint venture interest in the project(s) and / or holding equity in the incoming party.
- To focus additional resources on developing the Kiruna Iron Project in Sweden and high grade copper-gold projects in Norway and Sweden

# Board of Directors

8



**Richard Scallan**  
*Chairman*

- Director of Hannans Reward Ltd (2004).
- Mining Engineer with 54 years experience in underground and open cut mining.
- Previously employed by the Anglo American Corporation of South Africa Limited for 26 years and joined Renison Goldfields Limited in 1981 where he was employed for 21 years.



**Jonathan Murray**  
*Non-Executive Director*

- Director of Hannans Reward Ltd (2010).
- Principal legal practice areas include equity capital markets, takeovers, project acquisitions and divestments, corporate governance, commercial law and strategy.



**Damian Hicks**  
*Managing Director*

- Founding director of Hannans Reward Ltd (2002).
- Founding director Scandinavian Resources Ltd (2008) & Kiruna Iron AB.
- Admitted Barrister & Solicitor in Western Australia; Bachelor of Commerce (Accounting & Finance).



**Olof Forslund**  
*Non-Executive Director*

- Director of Hannans Reward Ltd (2012).
- Founding director Scandinavian Resources Ltd (2008) & Kiruna Iron AB.
- Geophysicist with extensive international experience in the mineral exploration industry.
- Previously Regional Manager of SGU Mineral Resources Information Office.



**Markus Bachmann**  
*Non-Executive Director*

- Director of Hannans Reward Ltd (2012).
- Founding director of Kiruna Iron AB.
- Corporate finance professional and founding partner of Craton Capital.
- Craton Capital awarded Fund Manager of the Year at the Mining Journal's "Outstanding Achievement Awards" during December 2010.



**William Hicks**  
*Non-Executive Director*

- Founding director of Hannans Reward Ltd (2002).
- Director and secretary of Spargo's Reward Gold Mines NL and was instrumental in the listing on the ASX of both Central Kalgoorlie Gold Mines NL and Maritana Gold NL.



# Exploration Team

9



**Amanda Scott**  
*Exploration Manager*

- Geologist with 8 years experience
- Responsible for developing the Kiruna Iron Project portfolio and the SCR gold and base metals portfolio since inception
- Previously Exploration Manager for Hannans Reward Ltd (2008 – 2010) and Scandinavian Resources Ltd (2010 – 2012)



**Christina Lundmark**  
*Managing Director (SRAB)*

- Geologist with more than 15 years experience in the Swedish mineral exploration industry
- Previously Head of Division Mineral Information for the Geological Survey of Sweden (SGU)
- Responsible for SGU participation at PDAC, FEM and other international symposiums



**Rune Wilberg**  
*Senior Geologist*

- Geologist with more than 30 years experience in Norwegian mineral exploration industry
- Worked as a geological consultant (1998-2011) for various mining and exploration companies for base metals and gold in Norway and Greenland
- Worked 12 years for NGU



**Jorgen Lindsköld**  
*Senior Geologist*

- Geologist with more than 30 years experience in the Swedish mineral exploration industry
- Previously joined North Atlantic Natural Resources AB (NAN) now also known as Lundin Mining AB for 11 years and Bolidens mine in Renström mainly responsible in mine mapping and ore control



**Jan Ehrenborg**  
*Senior Geologist*

- Geologist with more than 40 years experience primarily for SGU and SGAB
- 15 years mapping Tertiary volcanic terrains in Nicaragua and Panama, gold exploration in Guinea (West Africa), logging drill cores for the Swedish Nuclear Fuel and Waste Management Co.



**Ana Braña Bergshjorth**  
*Geophysicist*

- Senior mining geophysicist with over 15 years experience working on international exploration in mineral commodities providing extensive geophysical expertise and capability
- Qualified Person according to the statutes of Fennoscandian Review Board and is a member of SveMin

# Australian Exploration Team

10



**Tom Lyons**

*Exploration Geologist*

- Worked across the complete exploration portfolio of Hannans projects since 2011.
- Previously worked throughout Western Europe and the Mediterranean as a geologist for Heidelberg Cement, global Cement and Aggregates company listed on the German stock exchange.



**Helen Sanders**

*Consultant | Geologist*

- Worked 25 years in the Western Australian mining industry
- Experienced in geological data management for both mining and exploration, native title management, tenement management and DMP compliance and reporting.



**Ben Jones**

*Consultant | Geophysicist*

- 17 years industry experience in mineral geophysics.
- Highly experienced in nickel sulphide exploration, particularly in Western Australia.
- Significant roles in the discovery of several nickel mines (Cosmos, Sinclair with Jubilee Mines / now Xstrata). Member of ASEG and AIG.



**Dr Nigel Brand**

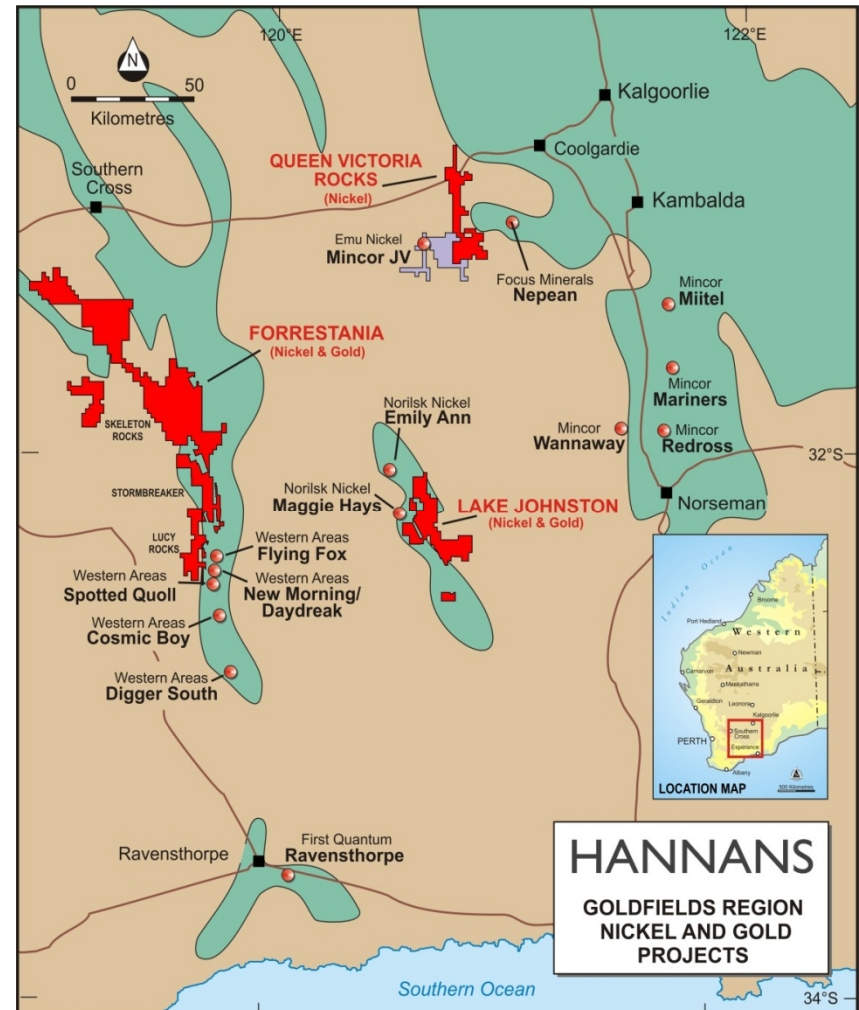
*Consultant | Geochemist*

- Worked 11 years for WMC Resources until 1999 on various regional Ni & Au exploitation programs.
- Joined Anglo American for 4½ years as their geochemist exploring for Zn, Ni and Cu-Au PC/IOCG deposits.
- Director of Geochemical Services Pty Ltd to provide hands-on and applied geochemical expertise to the international exploration and mining communities.

# Nickel Sulphide Projects, Australia



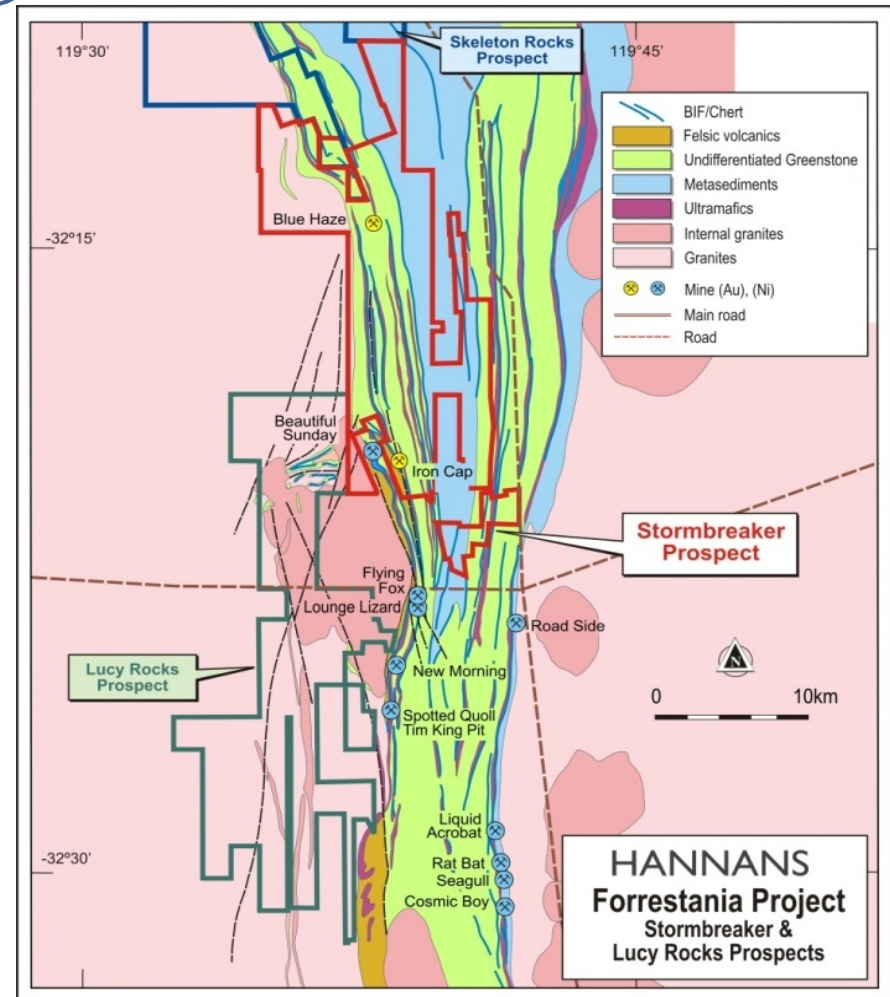
- Disciplined exploration process – geology, geophysics & geochemistry datasets
- Business model – aggregate the tenure, review / acquire the data, generate a target, test the target
- Major tenure positions covering prospective geological units
- High quality exploration datasets
- Advanced and greenfields projects
- Drill ready targets to be tested
- Transactions contemplated include joint venture or sale on individual projects or the package



# Forrestania Project (1,801 km<sup>2</sup>)

12

- World class Forrestania belt, some of the highest grade nickel sulphide mines in Australia
- Hannans consolidated a very fragmented tenure position
- Consolidation activities leave two major tenure holders: Hannans and Western Areas
- Recent exploration successes by Western Areas NL include Sunrise (July 2012) and Spotted Quoll (Oct 2007)
- Systematic exploration process initiated by Hannans
- Drill ready targets remain to be tested

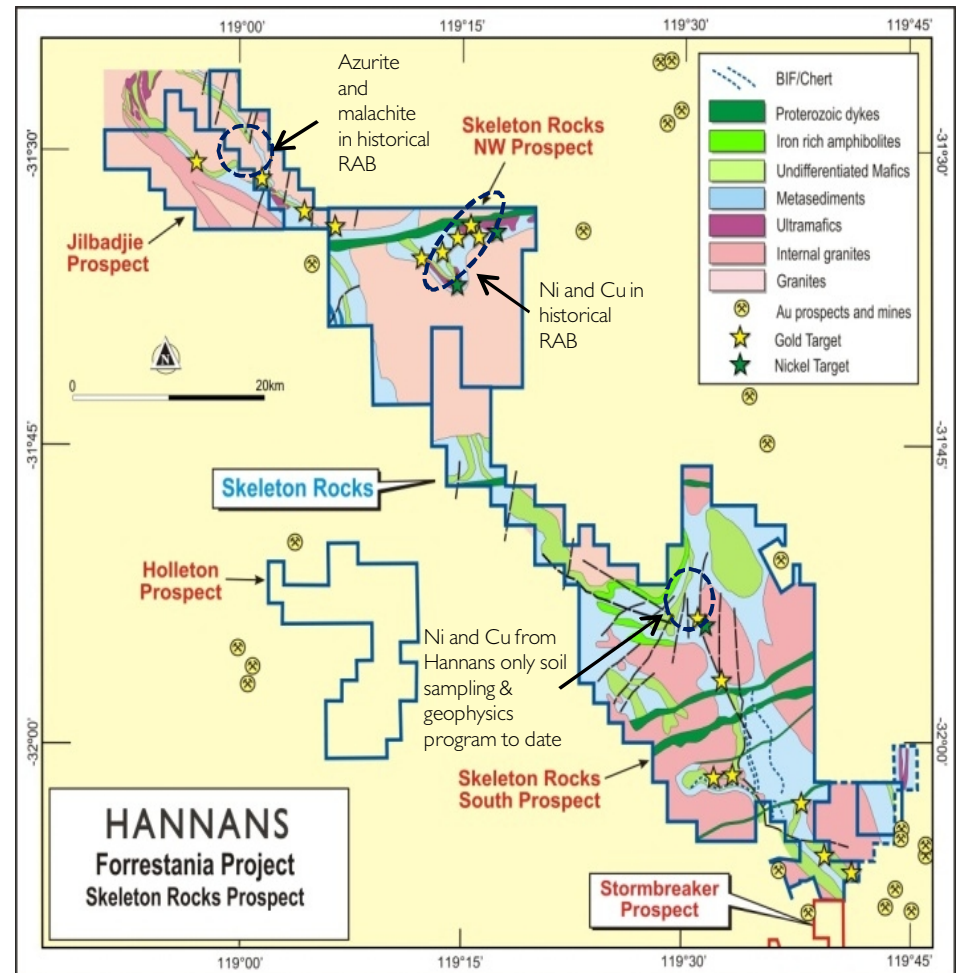




# Skeleton Rocks Area (Forrestania)

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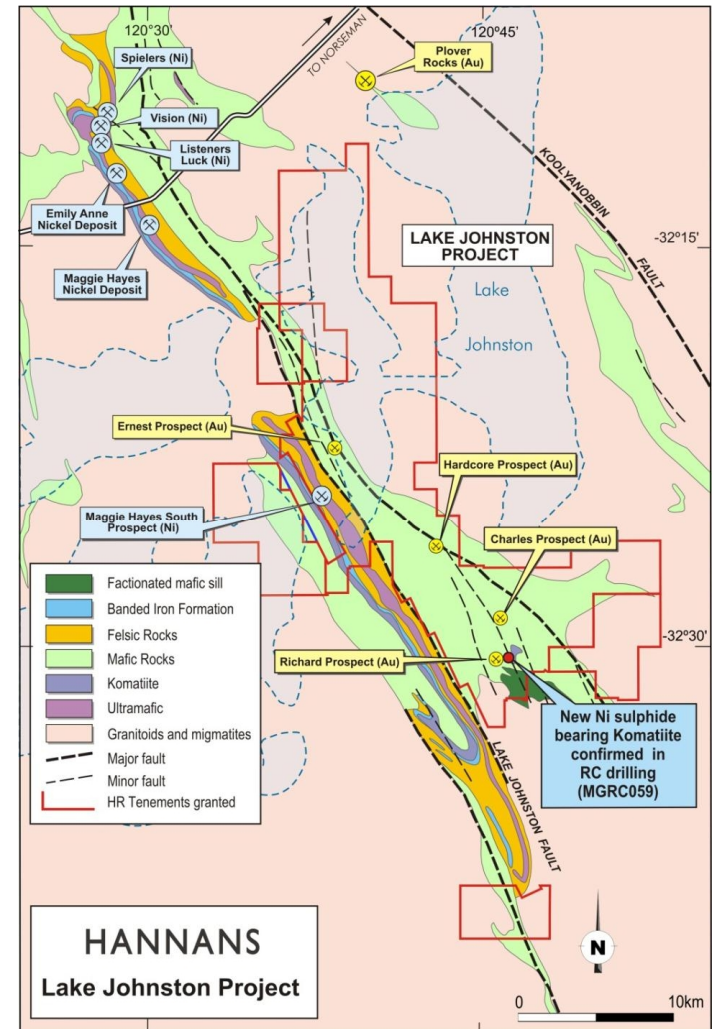
- Tenure trends north-west from the Forrestania greenstone belt towards the Edna May nickel occurrence in the Westonia greenstone belt
- Many historical nickel, copper and gold occurrences
- Hannans has generated a strong nickel-copper soil anomaly (1.2km strike) coincident with an EM conductor on an interpreted ultramafic unit – 1<sup>st</sup> program conducted by Hannans – drill ready
- Will drilling prove western ultramafic unit that hosts high grade deposits extends into Skeleton Rocks tenure?



# Lake Johnston Project (456km<sup>2</sup>)

14

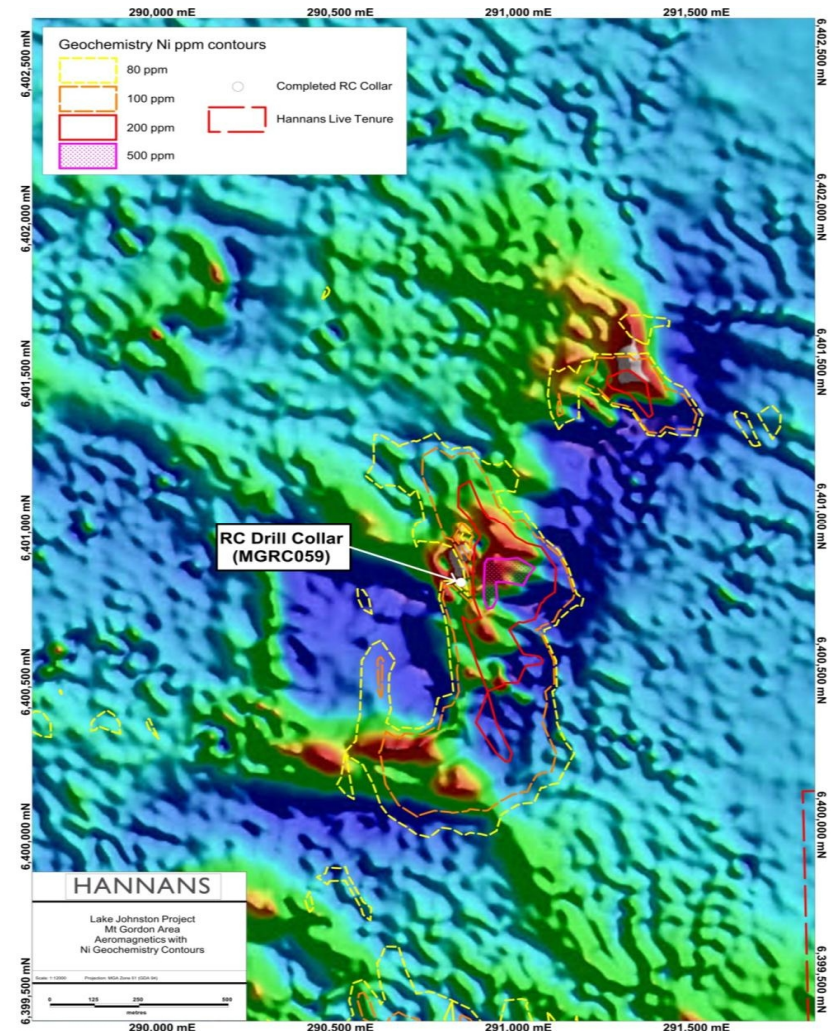
- Maggie Hays discovered in the 1970's and Emily Ann in 1997
- Nickel mining currently taking place by Russian mining giant Norilsk Nickel
- Multiple phases of exploration across the main ultramafic unit for the last 40 years
- In 2012 Hannans identified a new sequence of nickel sulphide bearing komatiites in previously underexplored geological setting (Mt Gordon Prospect)
- This is a result of the systematic exploration process initiated by Hannans



# Mt Gordon Prospect (Lake Johnston)

15

- Nickel sulphide discovery with one drill hole after detailed geophysical, geochemical and geological exploration process
- Requires significant additional follow up geochemistry, drilling and down-hole geophysics (surface EM ineffective)
- One RC hole (MGRC059):
  - drilled to test geology and Ni soil anomaly
  - confirmed Komatiitic lithologies with trace - disseminated nickel sulphides including Pentlandite, Violarite Pyrrhotite and Chalcopyrite
  - Hole ended in ultramafic, basal contact not tested
  - Interpreted at least two thick (>30m) Komatiite flows within hole
  - Peak values of 0.56% Ni in fresh rock
- Drill ready target

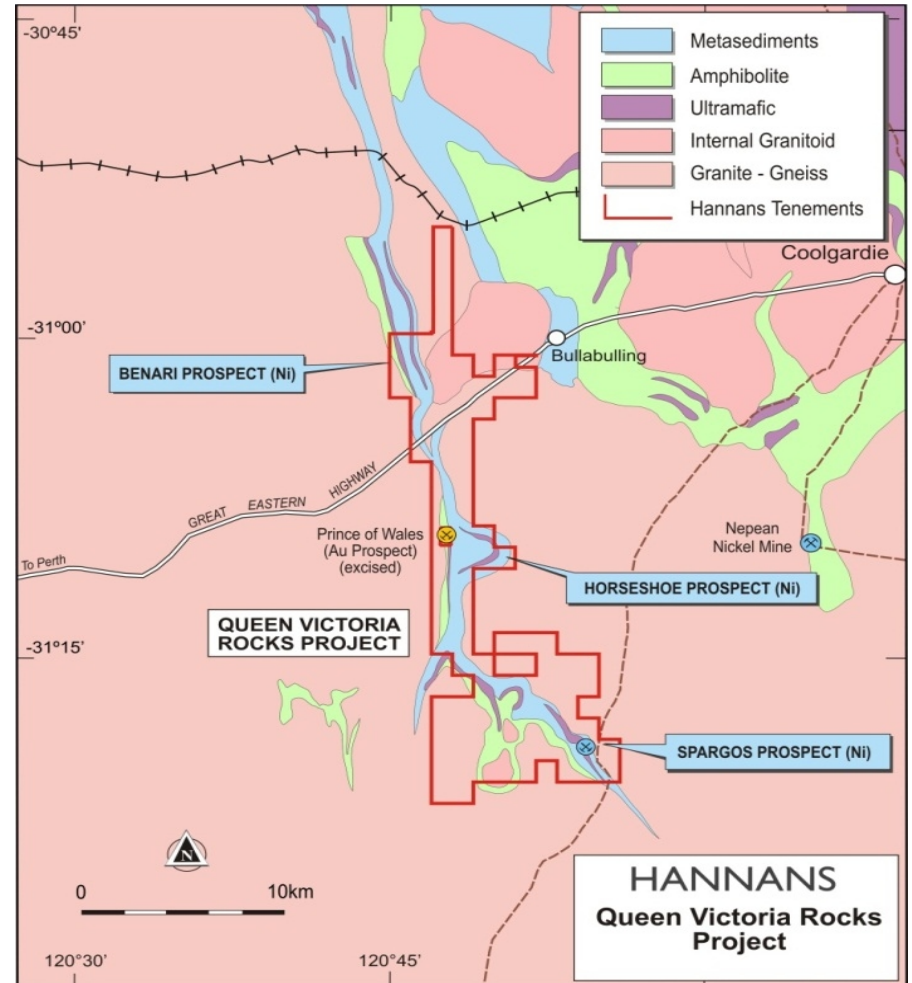




# Queen Victoria Rocks (290km<sup>2</sup>)

16

- Nickel sulphides were discovered at Spargos during 1970's
- Spargos Prospect
  - Remains as a stand out nickel sulphide occurrence
  - Surface EM has proven to be ineffective
  - Potential remains for a nickel sulphide discovery at depth
- Joint Ventures previously completed with Vale Exploration and Nickel Australia; adjacent to Emu Nickel / Mincor Resources nickel sulphide joint venture

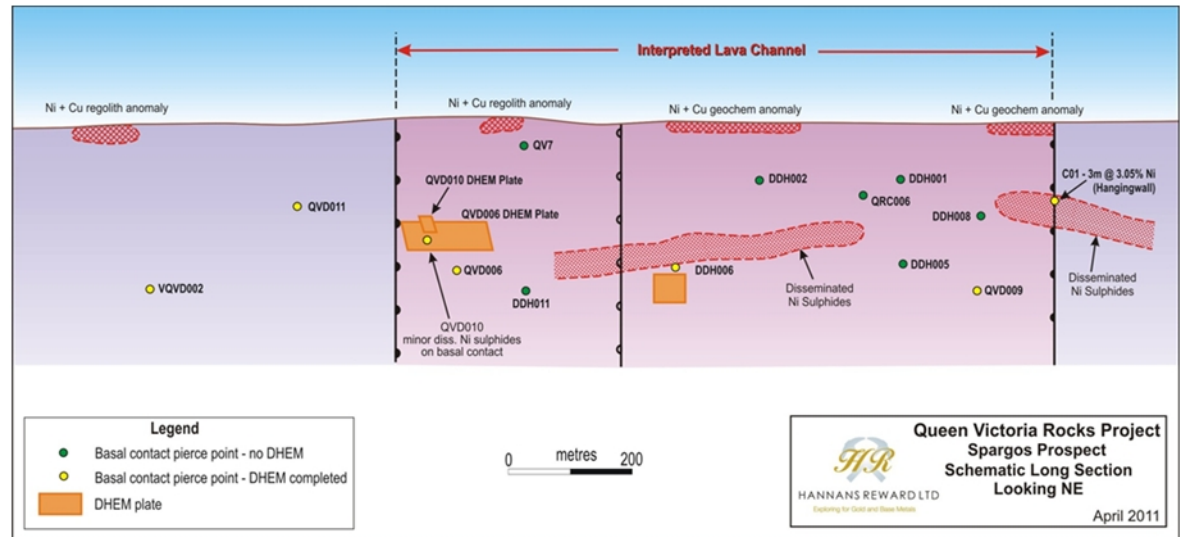
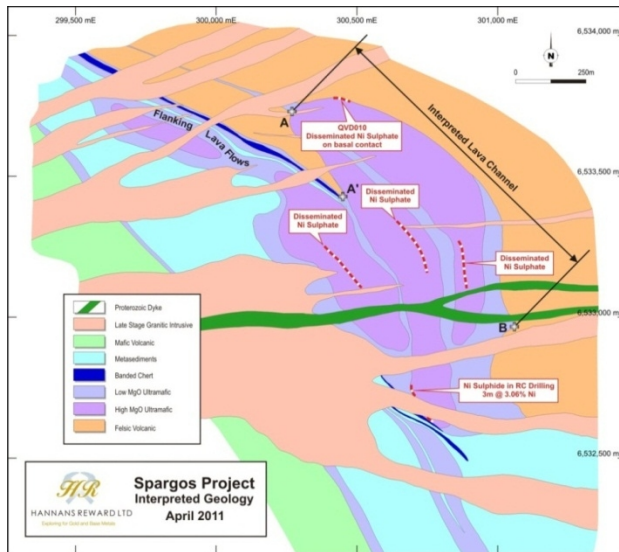




# Spargos Prospect (Queen Victoria Rocks)

17

- Previous disseminated nickel sulphide intercepts including 3m @ 3.05%Ni
- Recent geological interpretation has provided better understanding of the geological environment
- Basal contact requires testing down dip and down plunge; flanks of interpreted channel remain to be tested with deep drilling
- Ready to be drill tested



# Key Events through Divestment Process

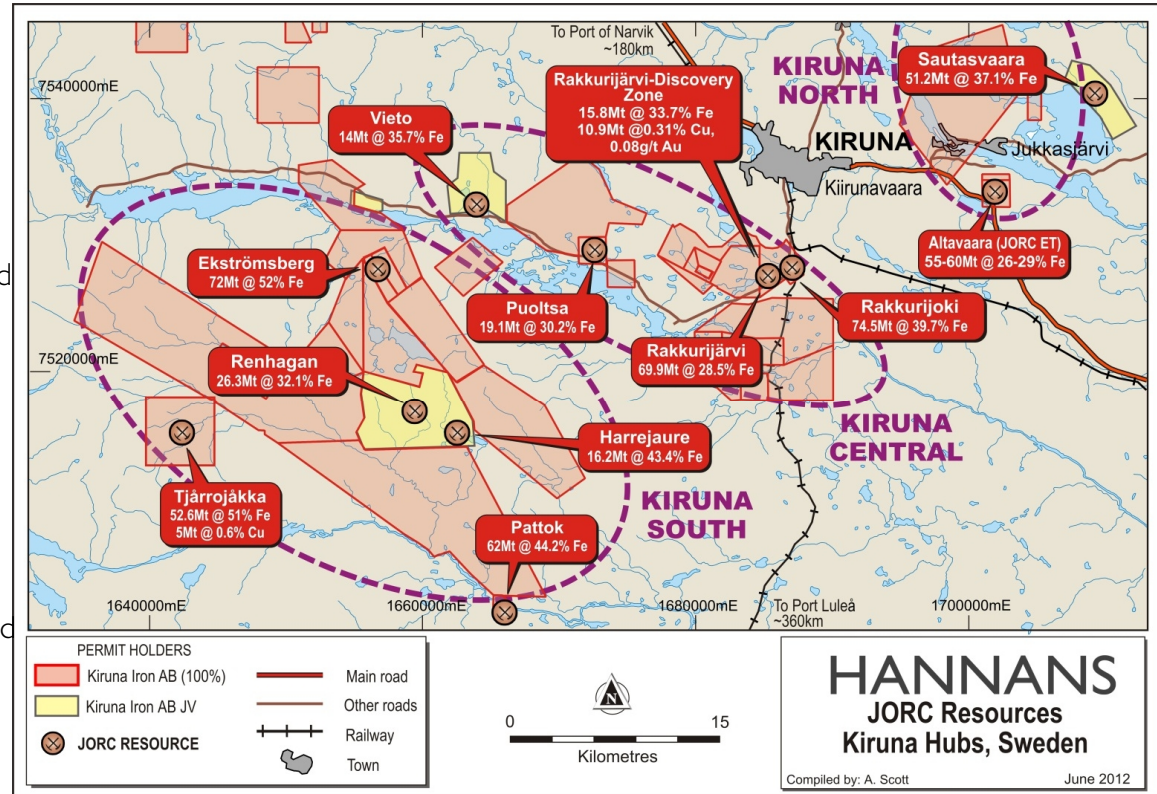
18

Event	Date
Announcement date of Divestment Process.	25 September 2012
Project briefing at the Australian Nickel Conference (Pan Pacific Hotel, Perth).	4 October 2012
Project summaries available through Mines Online and Hannans website.	5 October 2012
Information Memorandum and data room access granted to short listed parties to conduct due diligence.	From 8 October 2012
Last date for submission of non-binding offers.	Early November 2012
Last date for submission of final binding offer.	Mid November 2012
Hannans to notify preferred Bidder.	Mid November 2012
Finalisation of Heads of Agreement	End of November 2012
Finalisation of Formal Agreement	Mid December 2012

# Kiruna Iron Project, Sweden

19

- Aggregation strategy through acquisition, joint venture and applications
- Completed Tasman Metals Ltd JV
- Acquires 100% of the Rakkuri Project from Anglo American
- Acquires portfolio of iron permits from Grängesberg Iron AB
- Environmental and social impact studies commenced
- Maiden JORC resource of 412mt @39% Fe published
- SRK Consulting independently values Kiruna Iron Project at US\$140M in accordance with 2005 Valmin code<sup>1</sup>
- Signs co-operation agreement with Boliden to earn 100% interest in Lannavaara
- Conceptual study into iron slurry pipeline completed
- Appointed Magnus Arnqvist, Managing Director
- Updated JORC resource to 473Mt @ 40% Fe
- Completed 23,400m of drilling at Kiruna Iron project
- The largest tenure holder in Europe's #1 iron district



# Contacts

20

Hannans Reward Ltd holds a portfolio of mineral assets in Sweden, Norway and Australia. Hannans has a dual strategy focused on creating a pathway to production for the Kiruna Iron Project in Sweden, supplemented with precious and base metals exploration in Sweden, Norway and Australia.

## Sweden & Norway

- Flagship Kiruna Iron Project is 30km from the 2Bt Kiruna iron mine (owned by LKAB) – the world's largest and most modern underground iron mine
- Pipeline of projects covering gold, copper-gold and lead-zinc prospects in Sweden and Norway

## Australia

- Forrestania – nickel & gold project 7km north of Western Area's Flying Fox nickel mine
- Lake Johnston – nickel & gold project located 25km south east of Norilsk's Maggie Hays nickel mine and 100kms west of Norseman, Western Australia.
- Queen Victoria Rocks – nickel and gold project located 30km south-west of Coolgardie, Western Australia.
- Jigalong – base metals project located 150km east of Newman, Western Australia

Contact details in relation to this presentation:

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# Competent Persons Statements

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. Scandinavian Resources is a subsidiary of Hannans Reward Ltd and Ms Scott is a full-time employee of Scandinavian Resources 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-Rakkurijärvi, Rakkurijoki, Discovery, Tributary Zone, and Puoltsa Mineral Resources*

The mineral resource estimate for Rakkurijärvi, Rakkurijoki, Discovery, Tributary Zone and Puoltsa is effective from 13 January 2012 and has been prepared by Mr Thomas Lindholm, MSc of GeoVista AB, Luleå, Sweden acting as an independent "Competent Person". Mr Lindholm is a member of the Australasian Institute of Mining and Metallurgy (Member 230476). Mineral resources of the Rakkuri iron deposits have been prepared and categorised for reporting purposes by Mr Lindholm, following the guidelines of the JORC Code. 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.

#### *Competent Persons Statement-Ekströmsberg, Tjärrojåkka and Pattok Mineral Resources*

The mineral resource estimate for Ekströmsberg, Tjärrojåkka, and Pattok is effective from 22 July 2011 and has been prepared by Dr Christopher Wheatley of Behre Dolbear International Ltd, UK, acting as an independent "Competent Person". Dr Wheatley is a member of the Institute of Materials Minerals and Mining (Member 450553). Mineral resources of the Ekströmsberg, Tjärrojåkka, and Pattok have been prepared and categorised for reporting purposes by Dr Wheatley, following the guidelines of the JORC Code. Dr Wheatley 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. Dr Wheatley 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-Vieto, Sautusvaara, Renhagen and Harrejaure Mineral Resources*

The mineral resource estimate for Vieto and Sautusvaara is effective from 26 July 2011 and the mineral resource estimate for Renhagen and Harrejaure is effective from 13 January 2012 and has been prepared by Mr Geoffrey Reed of Minarco-MineConsult acting as an independent "Competent Person". Mr Geoffrey Reed is a member of the Australasian Institute of Mining and Metallurgy (CP) (Member 205422). Mineral resources of Vieto, Sautusvaara, Renhagen and Harrejaure have been prepared and categorised for reporting purposes by Mr Reed, following the guidelines of the JORC Code. Mr Reed 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 Reed 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 member of the Australasian Institute of Mining and Metallurgy (Member 230476). 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.

\*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.