HANNANS

15 August 2013

ASX & MEDIA ANNOUNCEMENT

RE-SPLITS SIGNIFICANTLY BROADEN COPPER-GOLD INTERCEPT TO 44m

Highlights:

- **Re-split assays from PARC13002/PARC13002B confirm mineralised intercept significantly increases to 44m (previously reported 10m intercept):**
  - **30m @ 1.56% Cu, 1.16g/t Au, 1.12g/t Ag from 40m (PARC13002)**

    plus
  - **14m @ 1.47% Cu, 0.6g/t Au, 0.9g/t Ag from 70m (PARC13002B)**
- **Includes high-grade intercepts of:**
  - **4m @ 5.14% Cu, 5.54g/t Au, 1.77g/t Ag from 65m (PARC 13002)**
  - **3m @ 4.52% Cu, 1.69g/t Au, 1g/t Ag from 73m (PARC13002B)**

Hannans Reward Ltd (ASX:HNR) (**Hannans**) reported on the 17th July 2013 initial 1m-split assay results from samples where oxide copper mineralisation was observed; throughout parts of the host unit which did not show visible copper mineralisation 4m composite samples were collected. Where 4m composites returned values greater than 0.1% Cu, corresponding 1m splits were subsequently submitted for assay. Re-split (1m) assay results have now been received for PARC13002. The results confirm a 44m zone of copper-gold mineralisation was intercepted *across* holes PARC13002 and 13002B. (The initial reported intercept was 10m @ 3.6% Cu, 2.7g/t Au and 1.8g/t Ag from 60m-PARC13002). Importantly the down-dip position below historic hole PAH05003 remains to be tested (see Figure 1). All RC assay results are from the Company's 100% owned Pahtohavare Project located in northern Sweden (see Figure 3).

It is important to note that drill holes PARC13002 and PARC13002B were started from the same point on the surface (refer Figure 1). The first hole (PARC13002) was terminated at 70m due to difficult drilling conditions. The second hole (PARC13002B) was cut below the casing at 24m before ending at 136m. The first hole was sampled from 0-70m and the second hole was sampled from 71-136m. Down hole surveying showed the dip of the second hole to be the same as the first; the second hole has deviated laterally to the north by a few metres only. For drill hole information and assay intercepts see Table 1 in Appendix 1.

Assay results are pending for the balance of drill holes completed at the Central Orebody in July 2013; a total of 8 RC holes have been completed to date. Hannans will report the balance of assay results in the coming weeks.

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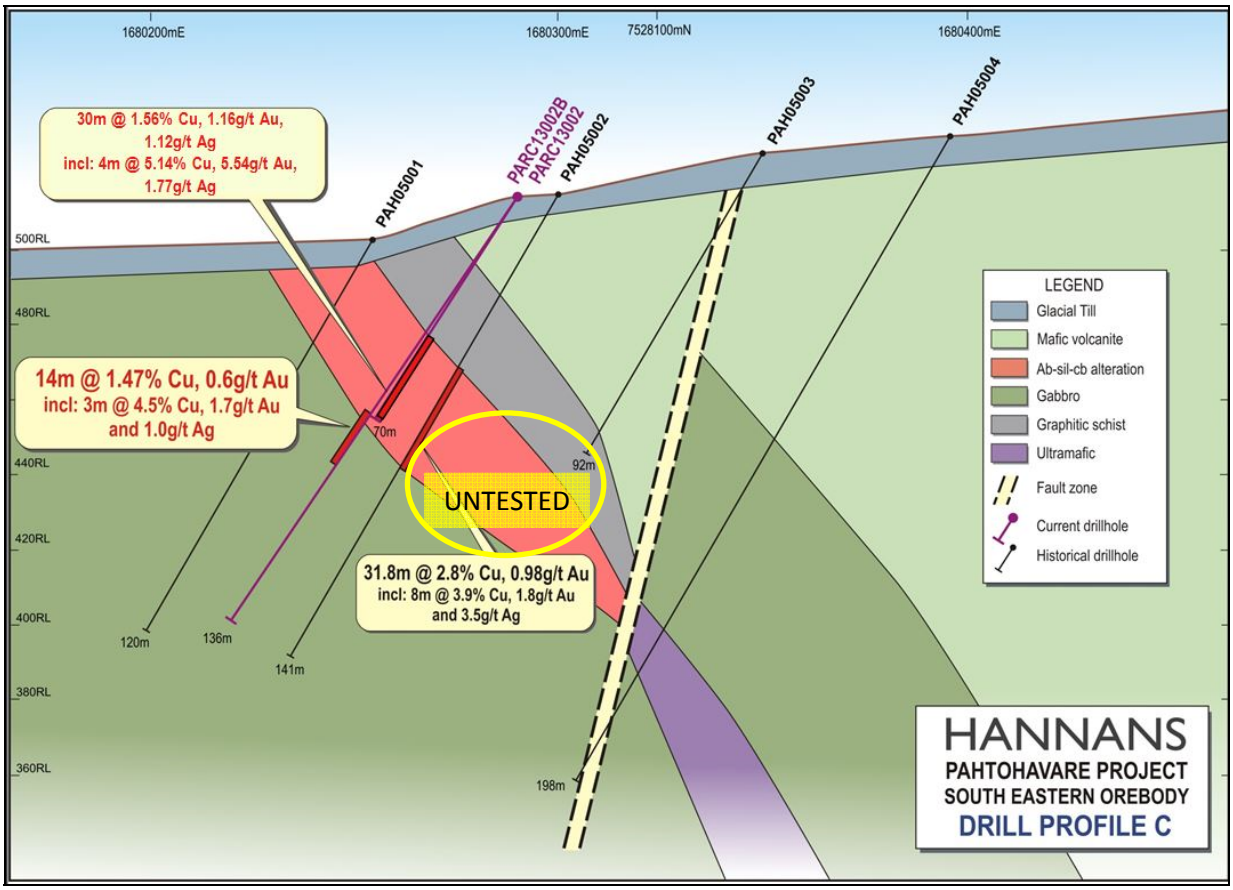

Figure 1: Drill Profile C showing assay results for PARC13002/PARC13002B.

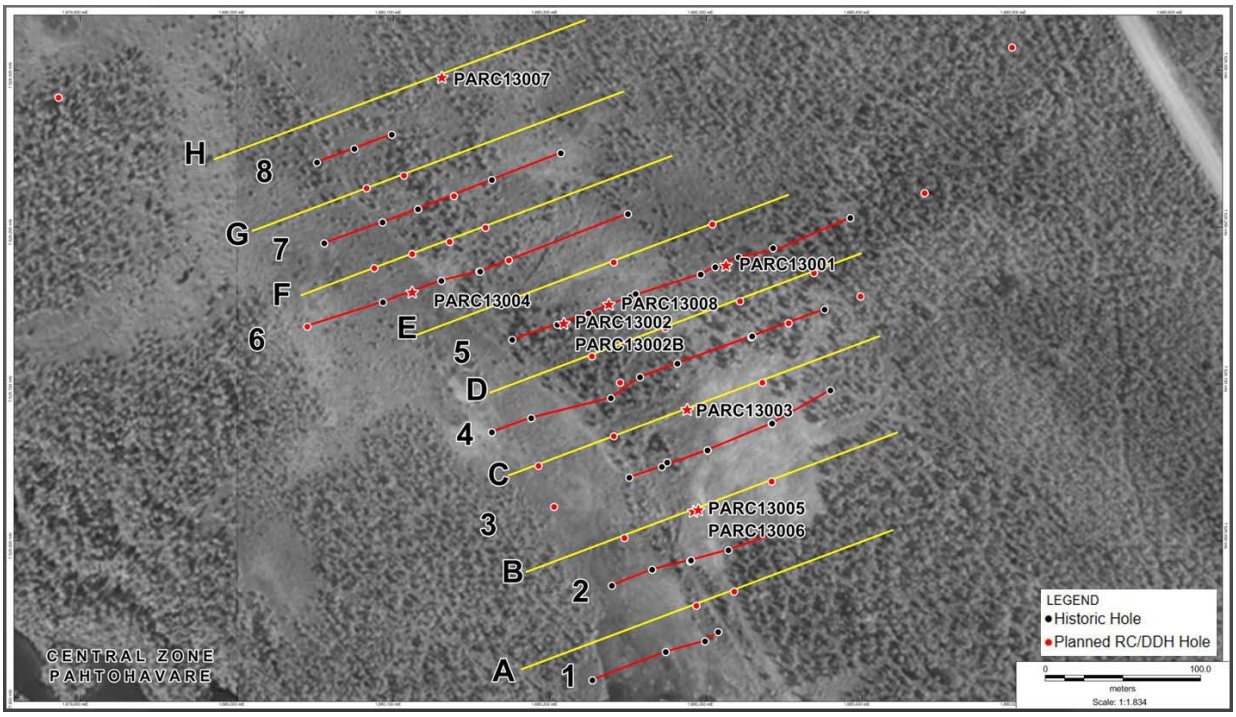

Figure 2: Drill Profile Summary Map

Pahtohavare – Overview

The Pahtohavare project is located 8 kilometres south-west of Kiruna, a full-service mining town in Norrbotten County, northern Sweden. Kiruna is located approximately 1,200 kilometres north of Sweden's capital Stockholm. The project is also very well positioned with regard to major infrastructure; including sealed roads, power and open-access railway (refer image below.

Copper mineralisation was first discovered at Pahtohavare in 1984 by the state-owned exploration company Swedish Geological AB and later mined by Finnish mining company, Outokumpu in 1984. Three deposits were defined at Pahtohavare (refer image below) namely;

- Central (oxide, carbonate and sulphide ore);
- Southern (sulphide ore); and
- South-Eastern (sulphide ore).

Mineralisation has also been identified in an area referred to as the Eastern Zone.

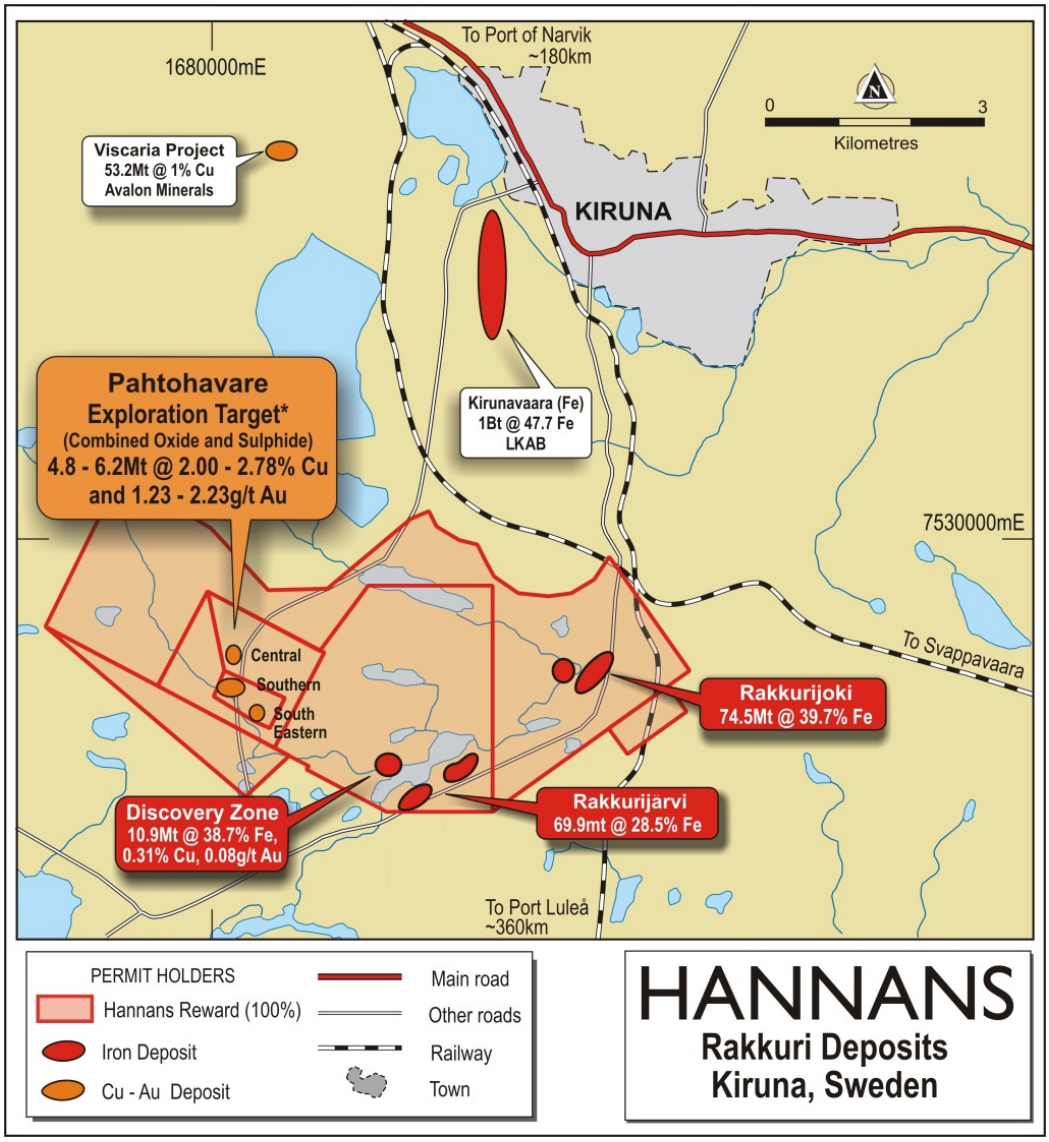

Figure 3: Project Location Summary Map

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Competent Persons Summary

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.

Appendix 1

Drill Hole	Northing (RT90)	Easting (RT90)	Dip	Azi	EOH (m)	From	To	Width	Cu %	Au g/t	Ag g/t
PARC13001	7528176	1680313	-65	250	141	129	132	3	4.02	0.75	4.67
Inc.								1	10.2	1.46	10.3
						140	141	1	0.56	0.06	0.8
PARC13002	7528084	1680288	-57	250	70	3	10	7	0.69	-	-
						40	70	30	1.56	1.16	1.12
Inc.						65	69	4	5.14	5.54	1.77
PARC13002B	7528084	1680288	-57	250	136	70	84	14	1.47	0.6	0.9
Inc.						73	76	3	4.52	1.69	1
PARC13003	7528139	1680212	-64	250	112	Pending					
PARC13004	7528153	1680119	-60	250	85	Pending					
PARC13005	7528022	1680301	-60	250	100	Pending					
PARC13006	7528019	1680292	-50	250	43	Pending					
PARC13007	7528296	1680131	-60	250	106	Pending					
PARC13008	7528151	1680238	-90	-	155	Pending					

Table 1: Drill hole and assay summary, Central Zone, Pahtohavare. Assays submitted to ALS Laboratories (Piteå) for ME-ICPMS and Au-AA25 analysis.

2012 JORC Code Table 1

Section 1	Explanation
Sampling Techniques	RC samples were collected at one metre intervals in a cyclone at the side of the drilling rig and put through a riffle splitter which reduced the sample in the ratio 1:10. The small portion weighing approximately 2kg was placed into a calico bag and marked with the depth. The large portion was bagged, labelled and remained on the ground for future reference. The riffle splitting has the effect of sample homogenisation.
Drilling Techniques	Reverse Circulation (RC) drilling with a face sampling hammer with a diameter of 125mm was used.
Drill Sample Recovery	Drill sample recovery was generally good, although there were some limited wet samples mainly within graphitic units where sample recovery was estimated as low as 50%. At the end of each rod the drill bit was pulled back and air blown to clear the hole of any remaining sample. During the drill rod change-over water could enter the hole and this needed to be blown out before drilling re-commenced with the next rod. The cyclone and riffle splitter were cleaned out after every rod.
Logging	Detailed geological logging was undertaken. This included recording of lithology, veining, alteration, mineralogy and structure where possible.

Section 1	Explanation
Sub-sampling techniques and sample preparation	RC samples were riffle split at the drill rig. In zones of non-mineralised rock 4m composite samples were taken. Where copper mineralisation was visible the 1m split samples were sent directly to the lab for analysis. Any composite sample returning a copper value of 0.1% or a gold value of 0.1g/t then had the corresponding 1m split samples collected and submitted for assay. At the lab 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 was taken for digestion in a four acid digest. HNR inserted duplicate samples and certified reference standards every 33 samples, the majority of results compared within acceptable limits.
Quality of assay data and laboratory tests	The assay method chosen for Cu analysis was four-acid digest followed by Inductively Couple Plasma – Atomic Emission Spectrometry (ICP-AES). The assay method chosen for Au was fire assay fusion followed by Atomic Absorption Spectroscopy (AAS). Laboratory standards and blanks were also analysed and produced comparable results to known/accepted values. Duplicate analysis was also completed on high grade gold values which indicate a nugget effect.
Verification of sampling and assaying	No independent third party assays have been undertaken at this stage, although the results are comparable with historic assay data from previous diamond drilling of the mineralisation (of which a number of holes have been check assayed by HNR). No twinned holes have been drilled at this stage. Primary sampling data was transferred from field data sheets into a computer database and results plotted in plan and cross section. Data entry was by manual method, but due to the small number of data it was able to be visually verified.
Location of data points	Collar locations were determined by hand held GPS and are accurate to +/- 1m. Down hole dips were determined at the collar by a clinometer and down hole by a digital multi-shot downhole survey instrument provided by HNR. Grid system is Swedish Coordinate system RT90 2.5 west Topographic control has been established by previous surveying of historic drill hole collars by RTK GPS. This data has been used to calibrate the HNR handheld GPS.
Data spacing and distribution	Drill holes within the mineralised Central zone were planned along sixteen (16) drill hole profiles with approximately 25m between each profile. Samples were collected at one (1) metre intervals down hole.
Orientation of data in relation to geological structure	Drilling was designed to intersect the mineralisation as perpendicular to strike as possible giving a drill hole azimuth of 250°. The mineralisation is interpreted to strike at approximately 340° and dip between -45° to -70° towards 070°. Due to drilling perpendicular to the targets no sample bias is believed to have been introduced.
Sample security	Samples were packed into larger poly-weave bags and transported to the site office by HNR. Courier was then used to transport the samples to the lab for analysis.
Audits or reviews	A review of the companies sampling and analysis techniques has been undertaken by an independent consultancy which produced positive feedback to HNR. Any suggestions to improve techniques have been implemented.

Section 2	Explanation
Mineral tenement and land tenure status	The mineralisation occurs on two 100%-owned HNR exploration permits; Pahtohavare nr. 2 and Pahtohavare nr. 4.
Exploration done by other parties	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 HNR. HNR is satisfied with the previous QAQC and assay methods used by SGU.
Geology	The ore host rocks are highly altered and generally consist of a fine-grained albite felsite of granoblastic texture. Black graphitic shales appear to sit stratigraphically above the albite felsite with a mafic sill (gabbro) dominating the footwall. The ores are located within a first order open antiformal structure which dips to the south-east. Copper-gold mineralisation is controlled by both structure and lithology and the main Pahtohavare ores are classified as epigenetic deposits although the Eastern mineralisation is classified as a syngenetic stratiform copper deposit.
Drill hole information	See Table 1 in the announcement, which lists for each hole, easting and northing, RL, dip and azimuth, end of hole depth and intercept depth.
Data aggregation methods	Assays were averaged (using a weighted average based on equal (1m) sample lengths) using a minimum cut-off of 0.1% Cu, 0.1g/t Au and 0.1g/t Ag. For the above results the maximum internal dilution was 1m. "Including" intervals were calculated using a minimum cut-off of 1% Cu and no internal dilution. Generally the assay values are consistent throughout an intercept although the sometimes heterogeneous nature of the mineralisation means that occasionally high-grade values may be diluted by low grade values within the same intersect.
Relationship between mineralisation width and intercept lengths	The example cross-sections are drawn at a 250° azimuth. The sections are drawn in this manner to correlate with previous diamond drilling of the mineralisation and are known to be perpendicular to strike. The dip of the mineralisation appears to range between -70° to -45° with the ore body steepening up-dip. The downhole intervals are mainly consistent with the true width of the mineralisation although in places the drill hole intervals are 15-20% more than the true width due to the variation in dip of the mineralisation
Diagrams	Figure 1: Drill Profile C Figure 2: Drill Profile Summary Map Figure 3: Project Location Summary Map
Balanced reporting	
Other substantive exploration data	Prior to this drilling program a fixed-loop EM (FLTEM) survey was undertaken by HNR in early 2013. This data has been interpreted and targets indicating possible down-dip/along strike extensions of the currently known mineralisation have been identified. The details of these targets have been reported previously by HNR.
Further work	Further work will include more infill drilling and diamond drill testing of possible down-dip/plunge extensions of known mineralisation and interpreted geophysical and geochemical anomalies. Twin hole drilling has also been planned to help verify the historic drilling.

Table 2: According to clauses 18 and 19 of the 2012 JORC Code, the criteria in Sections 1 and 2 of Table 1 need to be addressed when first reporting new exploration results. These are listed above and comments made on an "if not, why not" basis.