

HANNANS

29 May 2013

ASX & MEDIA ANNOUNCEMENT

DRILL TESTING OF COPPER-GOLD TARGETS

Highlights:

- Reverse Circulation (RC) drill testing of multiple high potential copper-gold targets at the Central Orebody will commence today
- Historic intercepts from the Central Orebody, previously reported by Hannans to the ASX¹ include:
 - 33.0m @ 4.9% Cu & 5.84g/t Au from 6m (PAH87107)
Incl. 14.3m @ 10.4% Cu & 13.3g/t Au
 - 23.6m @ 3.8% Cu from 3.5m (PAH87110)
Incl. 2.95m @ 26.9% Cu & 6.2g/t Au
 - 24.55m @ 2.19% Cu & 0.54g/t Au from 62.45m (PAH87120)
Incl. 4.97m @ 7.4% Cu & 1.2g/t Au
 - 33.05m @ 1.91% Cu & 0.32g/t Au from 14.5m (PAH87113)
Incl. 21.8m @ 2.7% Cu & 0.5g/t Au
 - 59.65m @ 1.21% Cu & 0.22g/t Au from 21.65m (PAH87124)
Incl. 30.25m @ 1.9% Cu & 0.4g/t Au
 - 7.8m @ 1.78% Cu & 1.36g/t Au from 11.5m (PAH88103)
 - 9.18m @ 5.25% Cu & 0.23g/t Au from 11.5m (Bh87126)
 - 46m @ 1.1% Cu & 0.63g/t Au from 67.4m (Bh87105)
Incl. 13.95m @ 2.2% Cu & 0.9g/t Au from 85.79m
Incl. 2.15m @ 15.9% Cu & 7.7g/t Au from 117.69m
Incl. 1.39m @ 8.8% Cu & 4g/t Au from 128.4m

¹ Refer ASX announcements dated 14 and 18 March 2013 and 10 April 2013

Hannans Reward Ltd (ASX:HNR) (**Hannans**) is pleased to announce that drill testing of the high potential copper-gold targets at its 100% owned Pahtohavare Project located in northern Sweden will commence today (refer Location Map on page 8).

For an Overview of the Pahtohavare Project including Figures for historic drill hole profiles plus a table of all significant historic intercepts for the Central Orebody refer to pages 3 through 8.

The Phase I drill program at the Central Orebody has been broken into two separate campaigns; 3,000 metres initially (RC drilling only) and subject to success, a further 3,000 metres (combination of RC and diamond drilling (DD)) for a total program of approximately 6,000 metres (refer Figure 1 below for hole locations).

The RC program will test shallow, high potential targets where drilling by previous explorers was in-effective due to their failure to penetrate through a shear zone located above the ore. The order that the copper-gold targets are to be tested by Hannans will depend on ground conditions and the ability to easily move the rig from drill pad to drill pad. Ground conditions are improving as the winter snows have now melted, the spring has arrived and the long days of sunshine are rapidly drying the boggy ground.

The first 3,000 metres of RC drilling is expected to be completed in July 2013. Samples collected during the program will be sent regularly to the laboratory for analysis.

By way of background, previous explorers completed diamond drilling (DD) at the Central Orebody from surface and the challenges associated with penetrating the difficult shear zone often caused the DD holes to be abandoned prior to reaching their target. The RC program is expected to aid in penetrating the shear zone in a cost effective manner.

In addition to testing high potential targets, the infill component of the RC program will also decrease the profile spacing from 50 metres (the current spacing) down to 25 metres and this is expected to assist in resource definition.

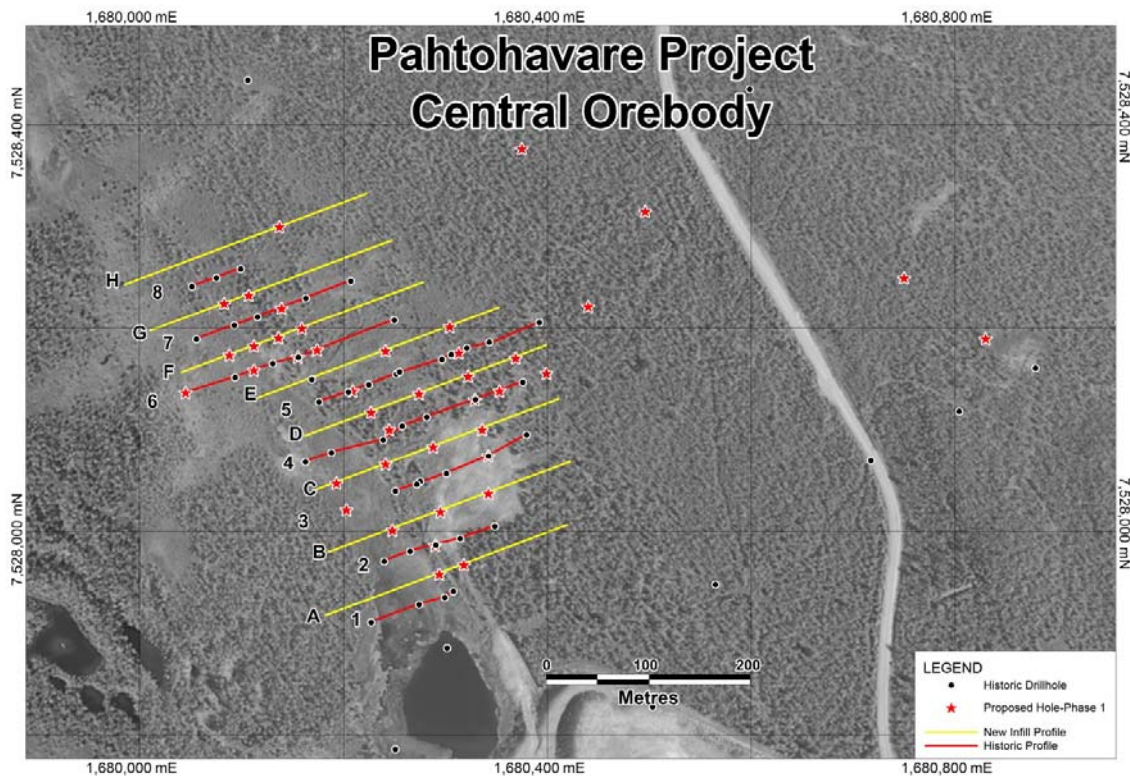


Figure 1 – Proposed Hole Locations for Phase I drilling at the Central Orebody

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 to Figure 2 on page 8). 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 to Figure 2) 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. The combined JORC Exploration Target⁹ for Pahtohavare (incorporating the Central, Southern, South-Eastern and Eastern Zone) is summarised below:

Ore	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
Total (Oxide + Fresh)	4.8-6.2	2.00-2.78	1.23-2.23

Table 1 – JORC Exploration Target

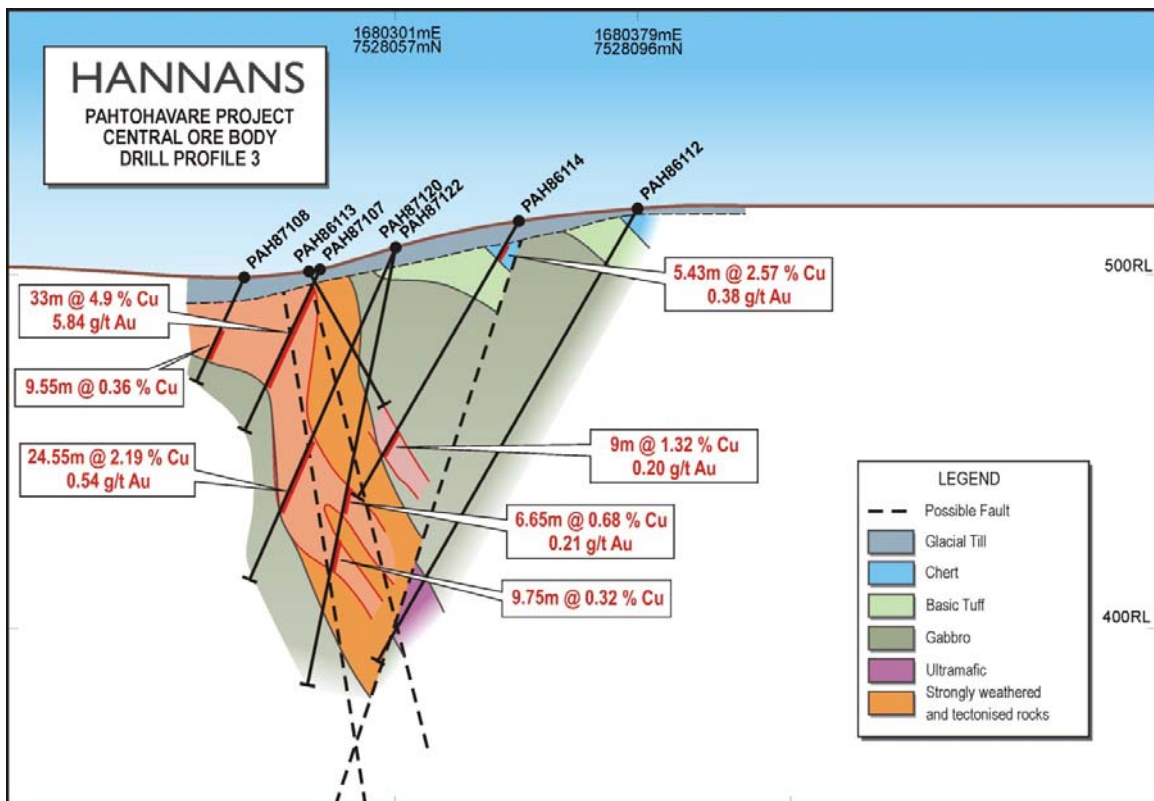
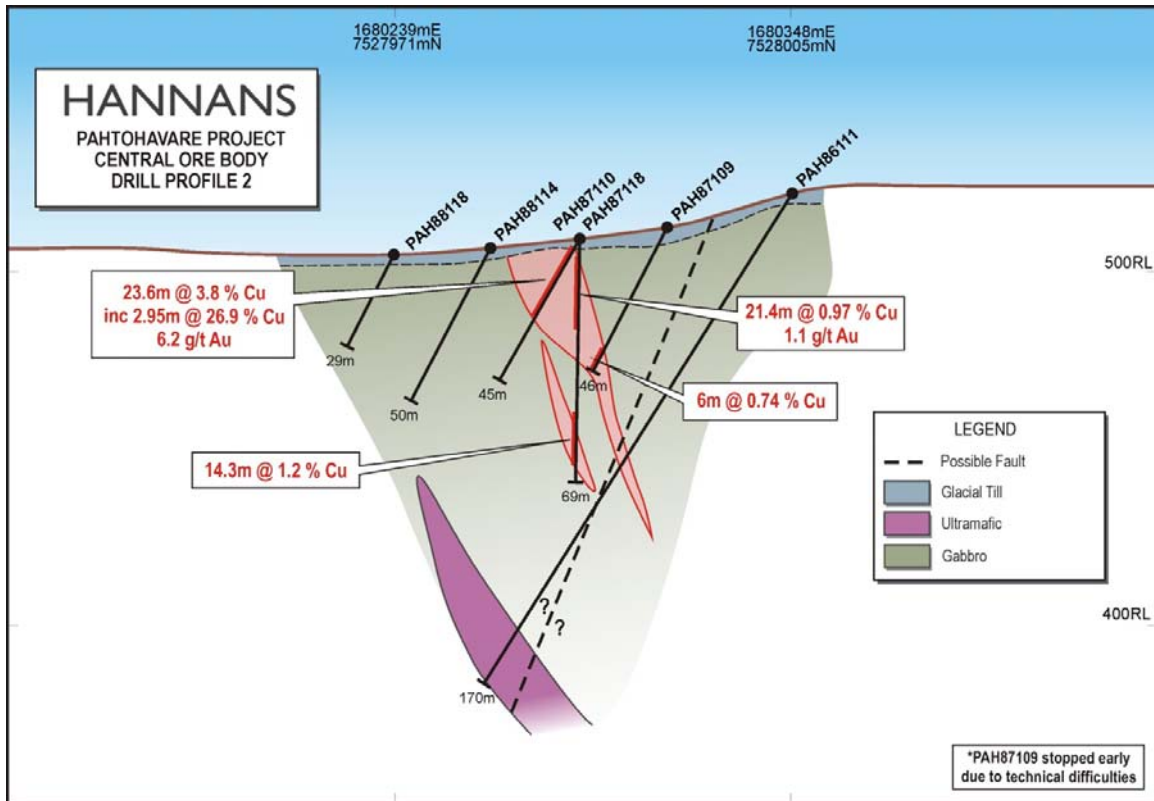
Historic Drill Program – Central Orebody Overview

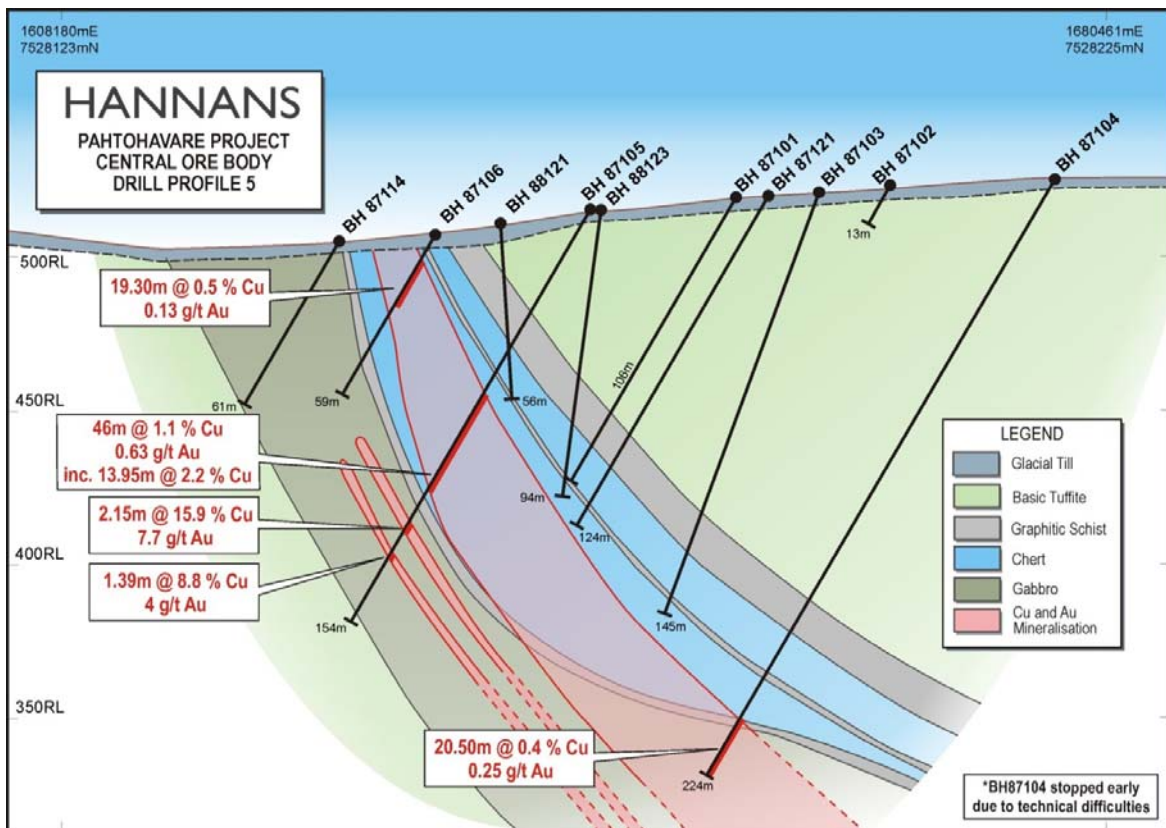
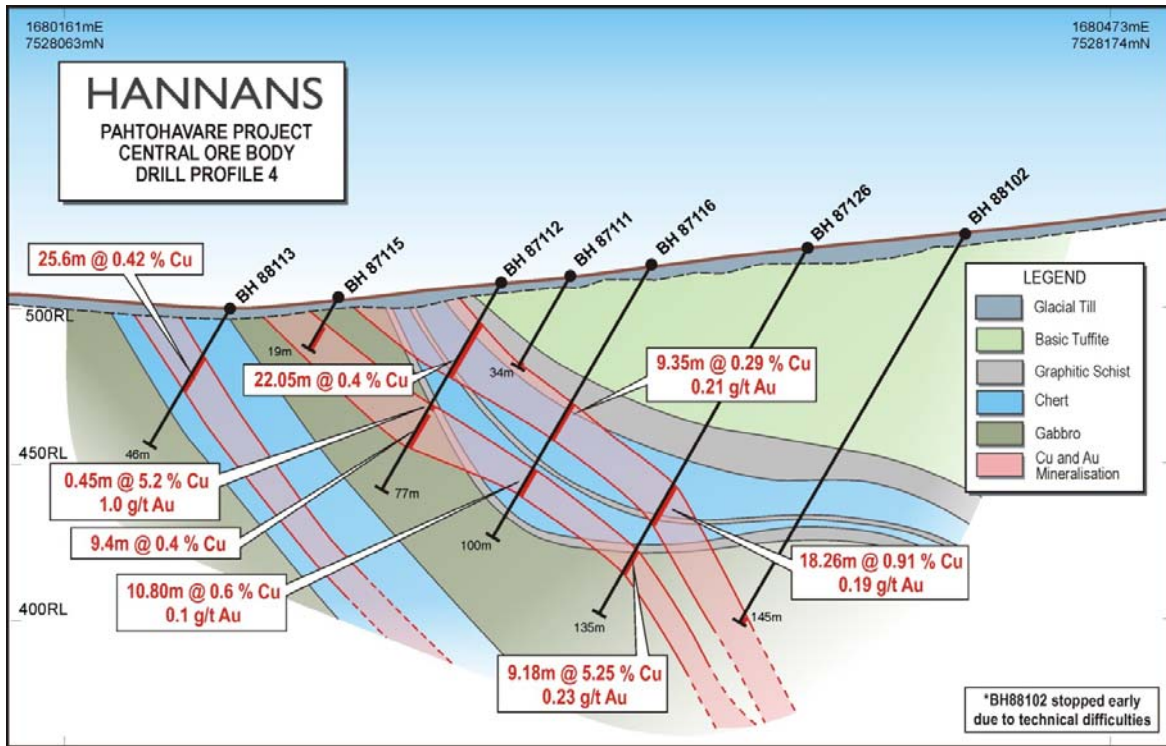
Hannans initial data interpretation has been focused on the Central Orebody, one of three orebodies within the Pahtohavare Project (refer Figure 2). A total of 50 drill holes were completed at the Central Orebody by previous explorers during the period 1984-1996; 46 holes were drilled within eight drill profiles (each profile 50 metres apart) and four holes were drilled outside of these profiles. Hannans has validated all eight drill profiles from the Central Orebody and has gained a much better understanding of the geology and controls on mineralisation although further work is still required to fully understand the complexities at Pahtohavare.

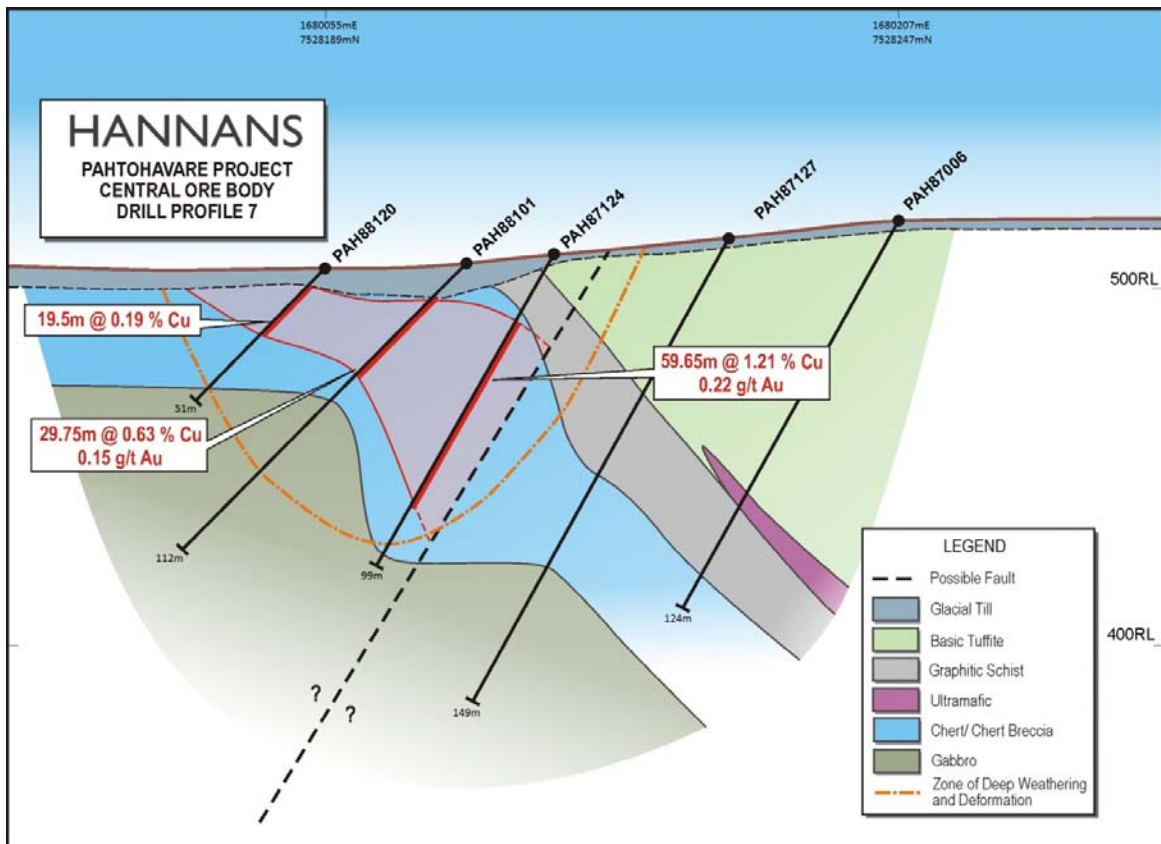
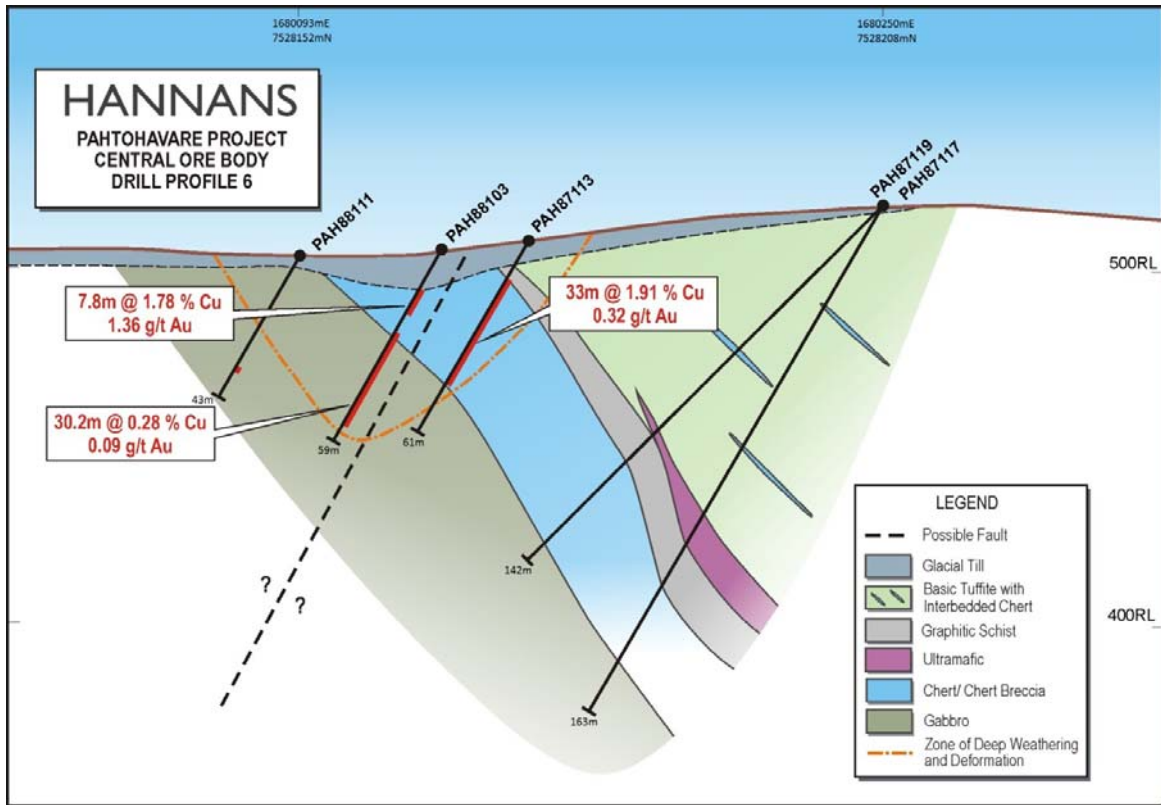
The copper-gold mineralisation at the Central oxide orebody is complex and controlled primarily by structure and secondly by lithology and contains oxide, carbonate and sulphide copper minerals; including malachite, azurite, tenorite, cuprite and chalcopyrite, with native gold also closely related to the copper mineralisation. Oxide mineralisation is dominant down to approximately 100 metres below surface, at which point a 'transition zone' starts becoming evident with disseminated sulphides. The significant historic drill intercepts highlight broad, shallow zones of copper-gold mineralisation within a strongly weathered and tectonised unit of rocks. Little is known about the mineralisation below approximately 110 metres depth at the Central orebody due to the lack of effective previous drilling below this depth but from the current drill profiles it is evident that faulting and/or folding are important and may be responsible for the discontinuation of ore at depth on a number of drill profiles.

On all drill profiles presented to date the mineralisation has been shown to be closely associated with a chert unit which honours the original logging by Swedish Geological AB. Recent re-logging and interpretation by Hannans' geologists indicate that the unit referred to as chert in historic logs is more likely a silica-albite-carbonate alteration and not a classic sedimentary chert. However the re-logging has confirmed the presence of thin chert horizons in the basic tuff.

⁹The 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.







Profile	Drillhole	Northing (RT 90)	Easting (RT90)	Dip	Azi	EOH Depth	From (m)	To (m)	Interval	Cu %	Au g/t
2	PAH87110	7527987	1680290	-60	250	45.35	3.5	27.1	23.6	3.8	-
	Inc.						18.75	21.7	2.95	26.9	6.2
2	PAH87118	7527987	1680290	-90	0	69.35	4	25.4	21.4	0.97	1.1
2	PAH87118	7527987	1680290	-90	0		51.5	65.8	14.3	1.2	-
2	PAH87109	7527994	1680314	-60	250	46.15	40.15	46.15	6	0.74	-
3	PAH87108	7528040	1680251	-60	250	34.25	17.75	27.3	9.55	0.36	-
3	PAH87107	7528050	1680275	-60	250	52.75	6	39	33	4.9	5.84
	Inc.						24.7	39	14.3	10.4	13.3
3	PAH87120	7528057	1680301	-62	250	109.4	62.45	87	24.55	2.19	0.54
	Inc.						78.65	83.62	4.97	7.4	1.2
3	PAH87122	7528057	1680301	-76	250	130	71.35	78	6.65	0.68	0.21
3	PAH87122	7528057	1680301	-76	250		87	96.75	9.75	0.32	-
3	PAH86114	7528075	1680342	-55	250	97.49	7.6	13.03	5.43	2.57	0.38
3	PAH86114	7528075	1680342	-55	250		74.39	83.39	9	1.32	0.2

Profile	Drillhole	Northing (RT 90)	Easting (RT90)	Dip	Azi	EOH Depth (m)	From (m)	To (m)	Interval	Cu %	Au g/t
4	Bh88113	7528069	1680163	-60	250	46.25	16.55	42.15	25.6	0.42	-
4	Bh87112	7528091	1680239	-60	250	76.85	11.55	33.6	22.05	0.41	-
							43.7	44.15	0.45	5.25	1
							51.25	60.65	9.4	0.39	-
4	Bh87116	7528113	1680282	-60	250	100.34	54.57	63.92	9.35	0.29	0.21
							80.22	91.02	10.8	0.6	0.1
4	Bh87126	7528131	1680330	-60	250	135.3	86.2	104.46	18.26	0.91	0.19
							115	124.18	9.18	5.25	0.23
	Inc.						121.33	122.5	1.17	37.2	1.8
5	Bh87106	7528138	1680205	-60	250	58.95	5.8	25.1	19.3	0.49	0.13
5	Bh87105	7528156	1680252	-60	250	154.34	67.4	113.4	46	1.1	0.63
	Inc.						85.79	99.74	13.95	2.2	0.9
							117.69	119.84	2.15	15.9	7.7
							128.4	129.79	1.39	8.8	4
5	Bh87104	7528206	1680392	-60	250	224.1	194.2	219.15	24.95	0.57	0.22

Profile	Drillhole	Northing (RT90)	Easting (RT90)	Dip	Azi	EOH Depth (m)	From (m)	To (m)	Interval	Cu %	Au g/t
6	PAH88103	7528166	1680130	-60	250	59.05	11.5	19.3	7.8	1.78	1.36
6	PAH88103	7528166	1680130	-60	250		26.7	56.9	30.2	0.28	0.09
6	PAH87113	7528172	1680155	-60	250	61.05	14.5	47.55	33.05	1.91	0.32
	Inc.						25.75	47.55	21.8	2.7	0.5
7	PAH88120	7528189	1680055	-45	250	51.45	5.8	25.3	19.5	0.19	-
7	PAH88101	7528203	1680093	-45	250	111.8	14.75	44.5	29.75	0.63	0.15
7	PAH87124	7528211	1680115	-60	250	99	21.65	81.3	59.65	1.21	0.22
	Inc.						25.55	55.8	30.25	1.9	0.4

Table 2 - Significant intercepts from drill profiles 2, 3, 4, 5, 6 and 7 of the Central Orebody at Pahtohavare (Refer to Notes on Page 9 for details of assaying)

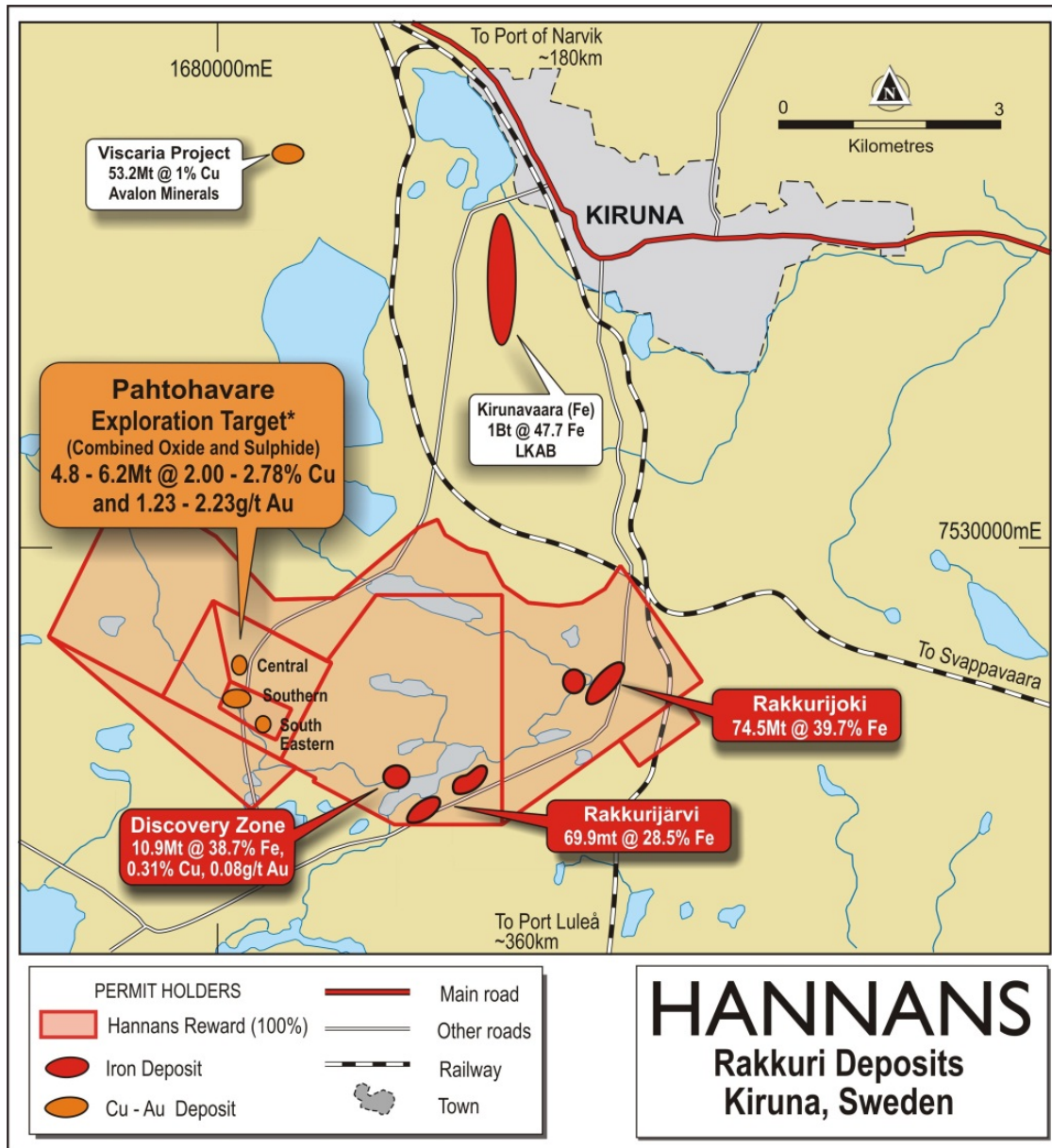


Figure 2 – Pahtohavare and other Hannans Project locations in close proximity to the Kiruna Township.

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Competent Persons Summary

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.

Notes

Survey:

Historic drillhole collars from the Central orebody have been located in the field by Hannans and surveyed with an RTK GPS in the Swedish coordinate system RT 90 (2.5 Standard). Not all drillhole collars were located and these positions have been back-calculated through a grid transformation.

Drillhole elevation data has been collected for the holes found in the field via RTK GPS but elevation for the holes not found will be generated through a digital elevation model (DEM) derived from digital spot elevation data supplied by Metria as part of the process to convert the current JORC Exploration Target to a JORC Mineral Resource.

Assays:

The historic drill assays quoted in this press release were undertaken by Swedish Geological AB and assayed at SGAB Analys in Luleå, Sweden via an acid digest and ICP for all elements except for gold which was via a fire assay. The majority of historic drillcore is 76mm and was sampled to geological boundaries and half-cored.

The results have not yet been independently verified by Hannans, however the sampling and assaying are considered to have been undertaken using standard industry practice and QA/QC procedures. Core from more than 150 holes are stored in archive and will be used to validate the historic assaying as part of the process to convert the current JORC Exploration Target to a JORC Mineral Resource.

Current intercepts are weighted averages calculated using a 0.1% Cu and 0.1g/t Au lower cut-off. Generally the assays were consistent through a mineralised interval but where a high value has been diluted by lower values they have been reported as such in Table 1.