HANNANS

17 June 2013

ASX & MEDIA ANNOUNCEMENT

FURTHER SIGNIFICANT HISTORIC COPPER-GOLD DRILLING RESULTS

Highlights

- Validation of historic drill holes from Southern, South-Eastern and Eastern Zone has been completed
- At Southern and South-Eastern, significant potential exists to identify more copper beneath the historic underground mines
- At the Eastern Zone copper mineralisation has a strike length of >1km and remains open along strike
- Best historic drill results from South-Eastern include:
  - 16m @ 2.6% Cu & 5.6g/t Au from 333m (PAH86106)
  - 23m @ 1.5% Cu from 424m (PAH86101)
  - 22m @ 1.14% Cu & 1.12g/t Au from 278m (PAH87004)
  - 9m @ 2.4% Cu from 167m (PAH85116)
- Best historic drill results from the Eastern Zone include:
  - 4.8m @ 3.58% Cu & 0.34% Zn from 175m (PAH84003)
  - 4.3m @ 2.17% Cu & 0.28% Zn from 100m (PAH85108)
- Drilling program at Central in progress

Hannans Reward Ltd (ASX:HNR) (**Hannans**) is pleased to announce that data validation of historic drill results has been completed at its 100% owned Pahtohavare Project located in northern Sweden (refer Figure 9). Hannans has a high level of confidence in the reliability of the historic information following completion of a thorough validation process. This final set of significant results from historic drilling at South-Eastern and the Eastern Zone[1] is contained in Appendix 1.

By way of background Southern and South-Eastern were previously mined down to a depth of approximately 195m and 150m respectively, via both open pit and then underground methods. The Central and Eastern Zones have not previously been mined.

At Southern, the orebody had a uniform geometry and was mined out to a depth of approximately 195m (vertical). Importantly there is no evidence that exploration drilling was ever completed beneath the lowest mined level and therefore it appears the copper orebody is open at depth.

At South-Eastern, the orebody is more complex as it is located in the hinge position of the regional anticline. Importantly ore grade copper mineralisation was intersected in historic drilling beneath the lowest mined level (approximately 150m vertical) and therefore opportunity remains for this mineralisation to be mined in the future.

[1] Southern has been mined out therefore no table of significant historical drill holes have been included in this ASX release; the final set of validated historical drill results from the Central Orebody were released to ASX on 10 April 2013.

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At the time, exploration, development and mining at Southern and South-Eastern was totally influenced by the status of operations at the nearby Viscaria copper mining and milling operation (approximately 8kms northwest). High grade ore from Pahtohavare was being used to supplement ore being mined from Viscaria and when Viscaria closed down the activity at Pahtohavare ceased. For this reason Pahtohavare remains largely underexplored.

The mineralisation at Southern and South-Eastern predominantly consists of chalcopyrite (copper mineral) disseminations within highly-altered felsite, gabbro and mafic tuffite units; it appears to be largely structurally controlled with higher-grade shoots close to fold hinges. The Eastern Zone however is different to Southern and South-Eastern and appears to be stratiform in nature. It is found at a stratigraphic level of the Viscaria Formation interpreted to be corresponding to a position between the A and B ore zones of the nearby Viscaria copper deposit (owned by Avalon Minerals Ltd).

PAHTOHAVARE PROJECT

For a general introduction to the Pahtohavare Project please refer to page 7.

The image below shows the simplified geology of the Pahtohavare Project, the location of the Central, South-Eastern, Southern and Eastern Zone as well as the historic drill hole collars.

It is important to recognise that outside of Southern and South-Eastern, a significant percentage of the historic drill holes shown below have been deemed to be ineffective or partially effective. An ineffective drill hole is a hole that did not reach the target zone (principally due to difficult drilling conditions), while a partially effective drill hole is a hole that either ended in mineralisation or alternatively did not reach all of the intended target zones.

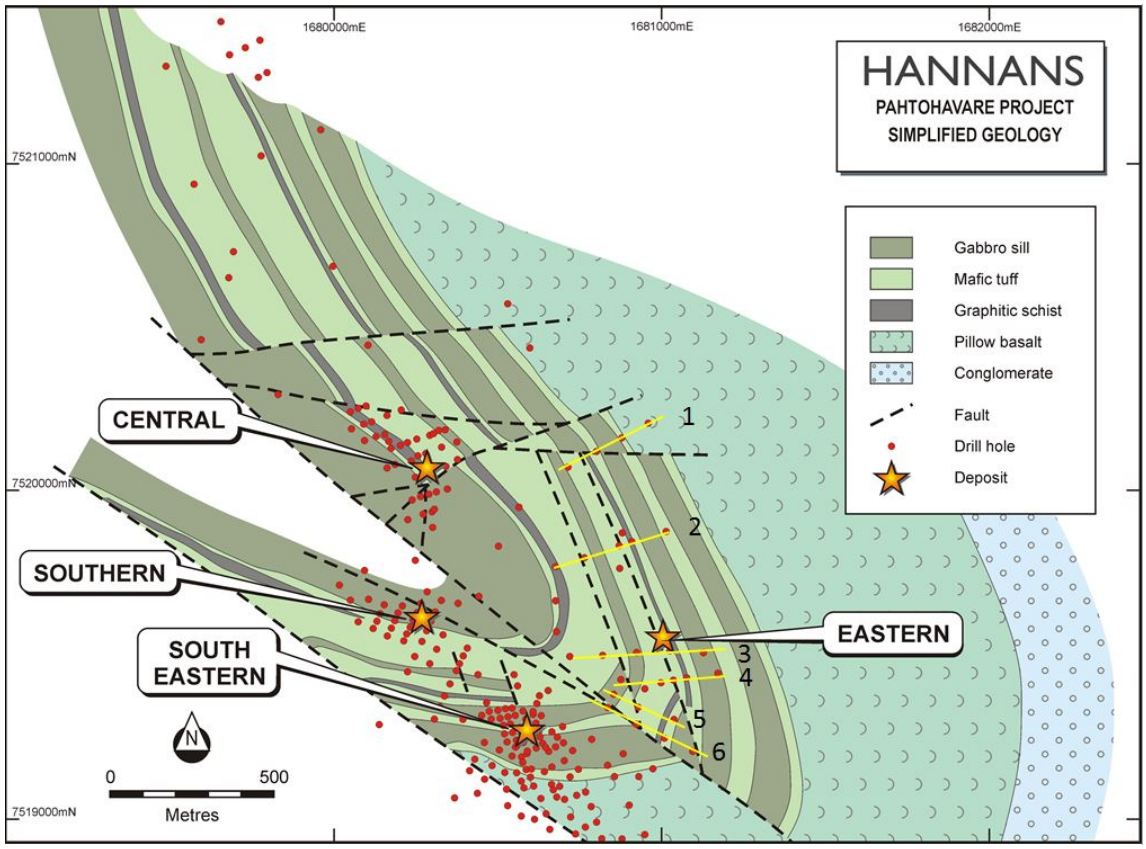

Figure 1. Pahtohavare geology map showing Eastern drill profiles in yellow. (Geology modified from Martinsson 1997).

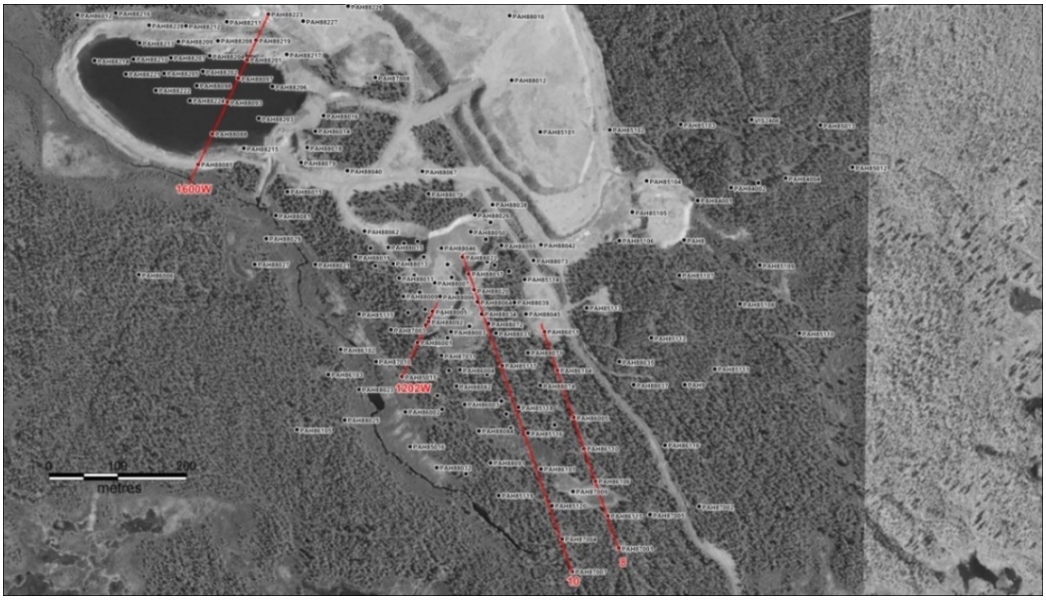

Figure 2: Drill profile summary map for Southern (1600W) and South-Eastern (1202W, 8 and 10) Orebodies on aerial photograph

Southern

Southern is the most significant of the deposits mined at Pahtohavare to date with a strike length of 280m and a width of 5-50m (average 20m). The recently completed 3D modelling has identified a SE plunge position at Southern which remains open with no known drilling having been completed below the deepest mined level of 195m below surface.

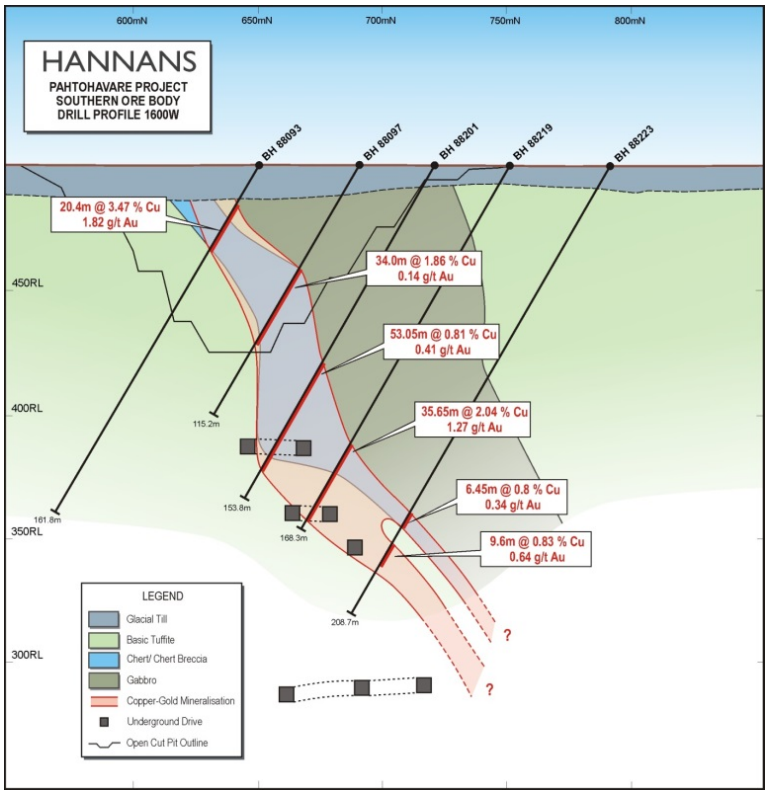

Figure 3: Drill profile 1600W from Southern Orebody showing the outline of the open pit, the location of the underground drives and the mineralised zones mined out by Outokumpu

South-Eastern

South-Eastern is located in the hinge position of the regional Pahtohavare anticline and is inherently complex with mineralisation strongly influenced by folding. There are three zones at South-Eastern: the A-Zone mineralisation (mined out by Outokumpu); the B-zone which is similar to the A-zone but generally has more pyrrhotite and less gold; and the C-zone which appears to be narrower mineralisation.

Due to the structural complexities at South-Eastern the drilling has been completed at several different orientations. Several historical profiles contain high-grade mineralisation below the lowest mined level.

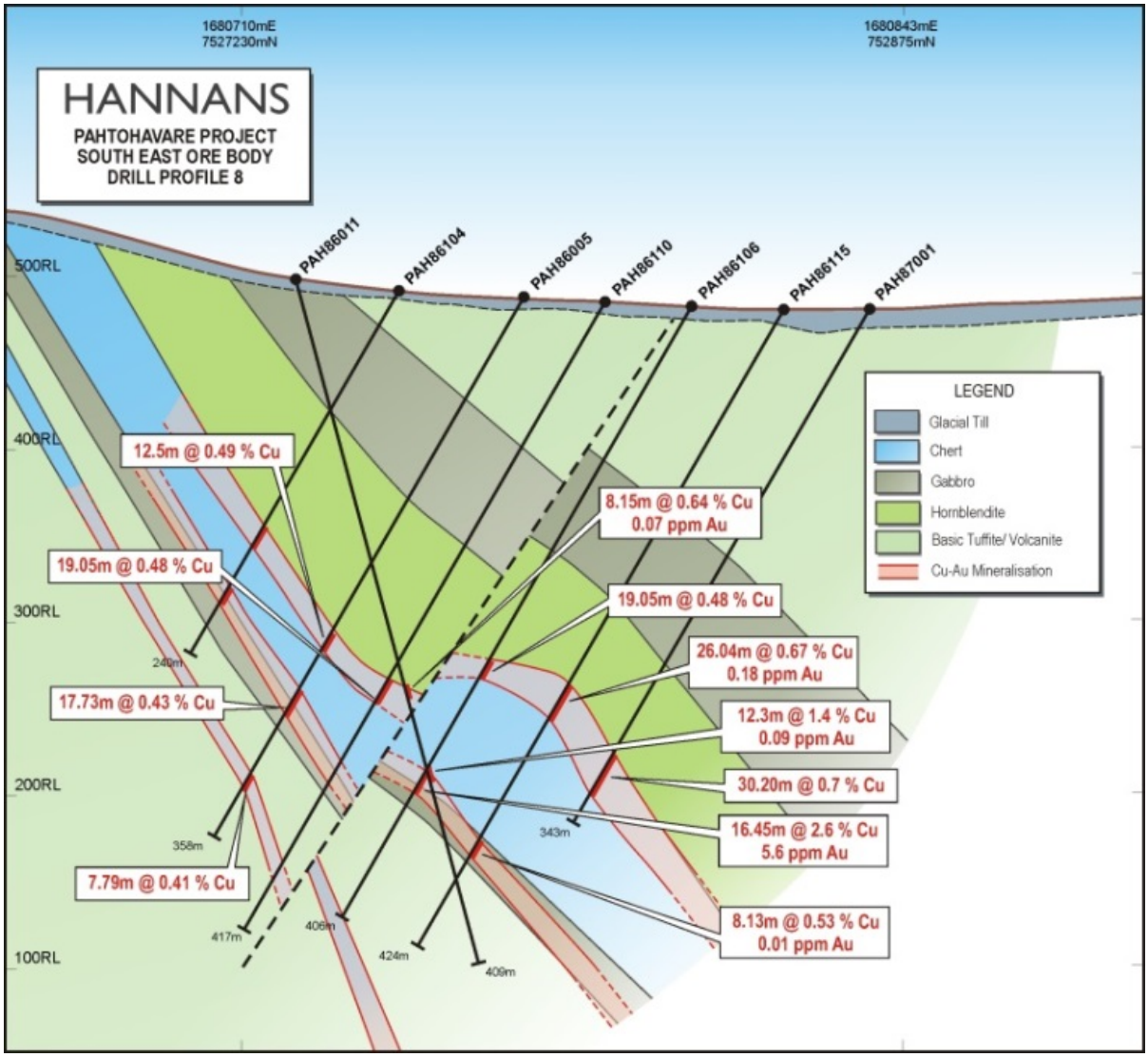

Figure 4: Drill profile 8 from South-Eastern

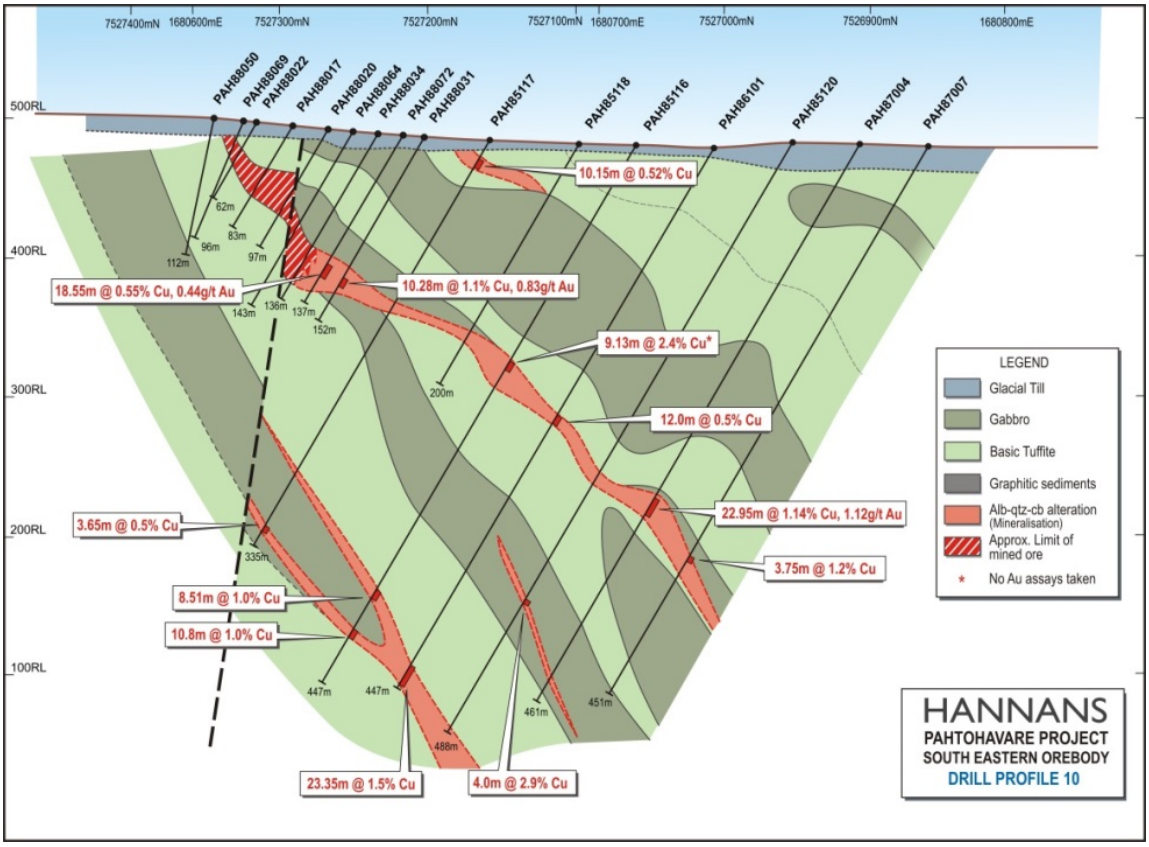

Figure 5: Drill profile 10 from South-Eastern

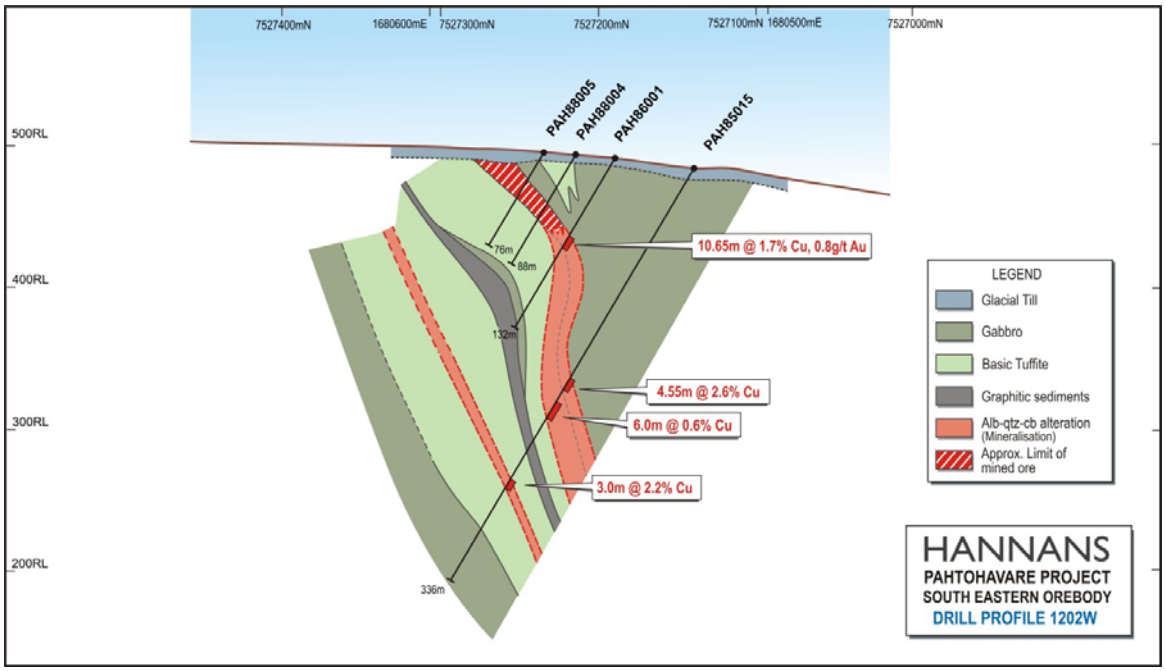

Figure 6: Drill profile 1202W from South-Eastern

Eastern Zone

The Eastern Zone copper mineralisation was the first copper mineralisation identified at Pahtohavare in 1984 through moraine sampling and subsequent diamond drilling. The Eastern Zone mineralisation is syngenetic stratiform copper that forms intercalations in graphitic sediments and basic tuff.

The copper mineralisation at Eastern Zone is lower-grade compared to Southern, South-Eastern and Central although several thin, high grade zones of copper mineralisation have been intercepted including 4.82m @ 3.58% Cu, 0.34% Zn from 175.4m (PAH84003). Magnetite, chalcopyrite, pyrrhotite, pyrite and some sphalerite occur as disseminated or as massive intercalations in the graphitic sediments and tuff.

The Eastern Zone copper mineralisation has been intercepted in 6 profiles (refer yellow lines numbered 1-6 in Figure 1) covering a strike length of 1,000m; some profiles are more than 300m apart with significant scope to further define, and close off known mineralisation.

The Eastern Zone copper mineralisation often contains elevated levels of zinc with accessory amounts of barium, lead, silver and gold; it is found at a stratigraphic level of the Viscaria Formation interpreted to be corresponding to a position between the A and B ore zones of the nearby Viscaria copper deposit (10kms north) which has a current combined JORC resource of 49.2Mt @ 1.1% Cu (Avalon Minerals Ltd).

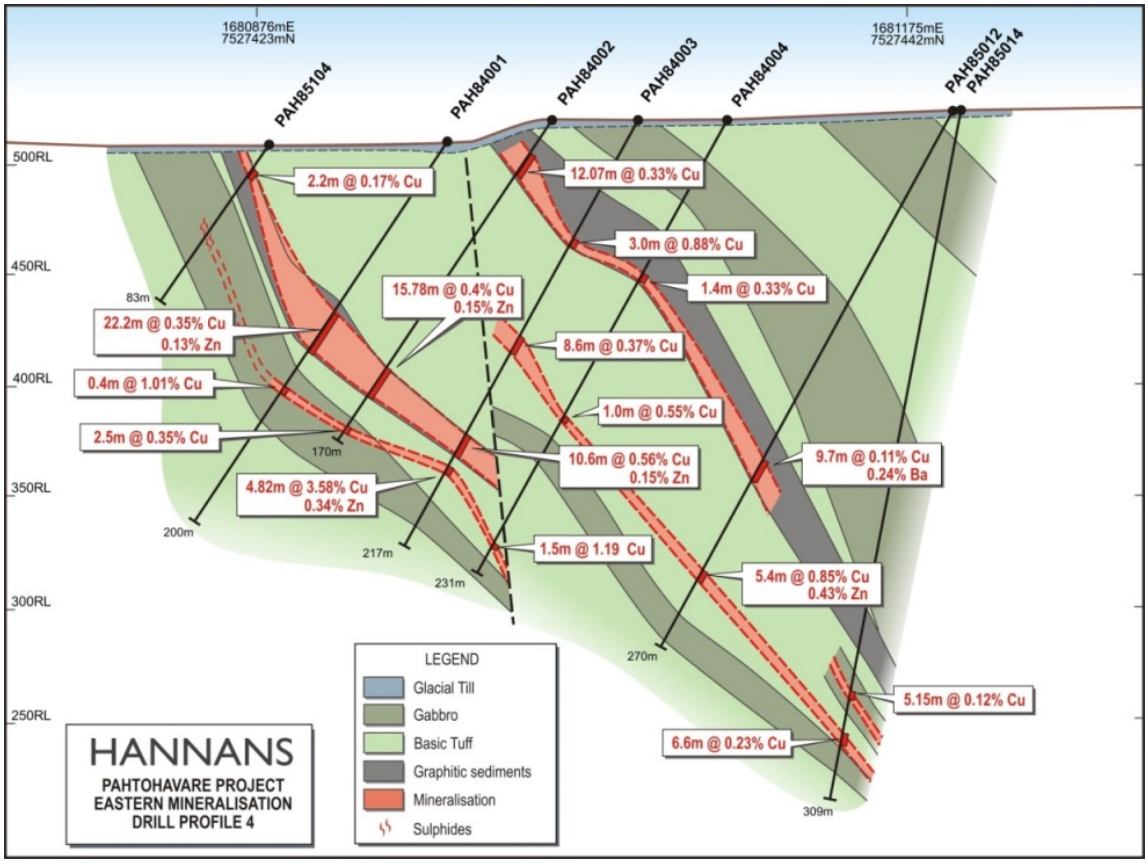

Figure 7: Profile 4 Eastern Zone

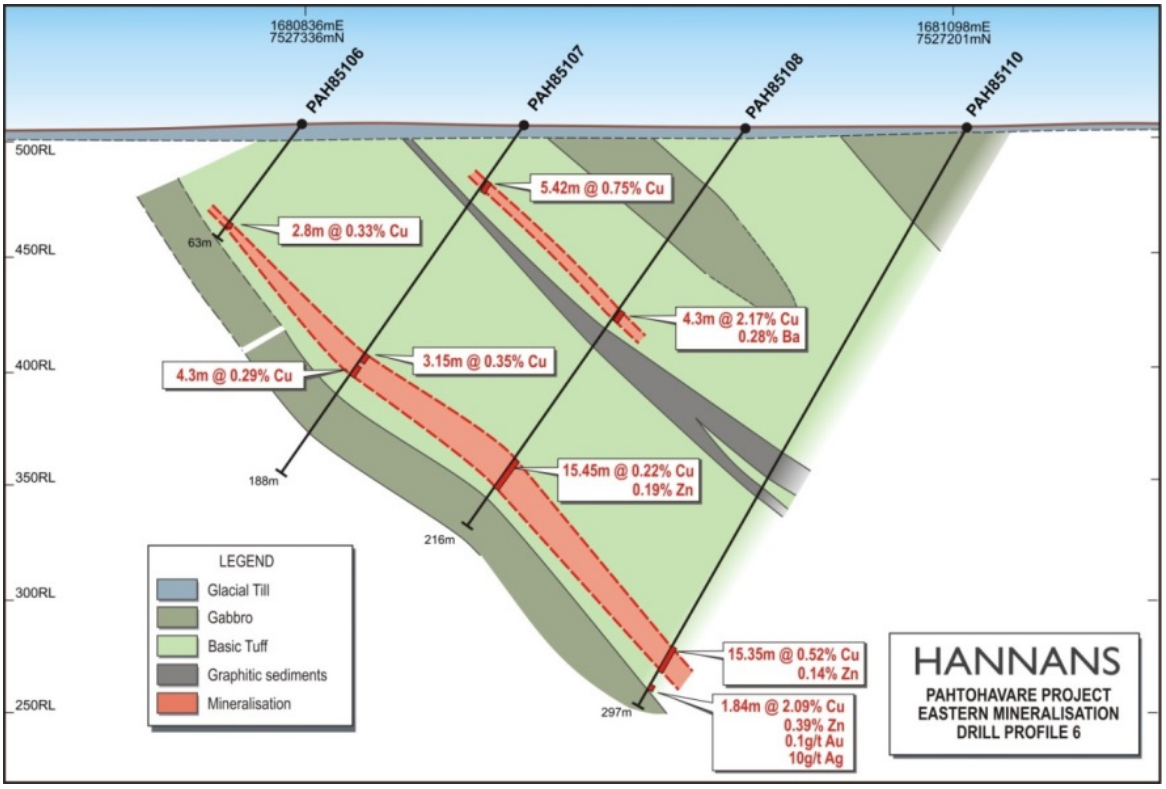

Figure 8. Profile 6 Eastern Zone

Pahtohavare – Overview

The Pahtohavare project is located 8kms south-west of Kiruna, a full-service mining town in Norrbotten County, northern Sweden. Kiruna is located approximately 1,200kms 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 1989.

Copper-gold ore was mined (by Outokumpu) initially from the Southern open-cut pit during the period 1989-1992 and then the South-Eastern pit from 1992-1993.

In 1993 the decision was made to develop an underground mining operation with a decline extending below the South-Eastern pit which serviced both orebodies until 1997 when mining ceased after the closure of satellite operations at Viscaria due to low copper prices.

Three deposits were defined at Pahtohavare (refer to Figure 9) 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 Central, Southern and South-Eastern deposits are epigenetic copper-gold deposits hosted typically in strongly albitised rocks; the albitised host rocks of Central, Southern and South-Eastern are not present at Eastern.

The combined JORC Exploration Target[2] 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

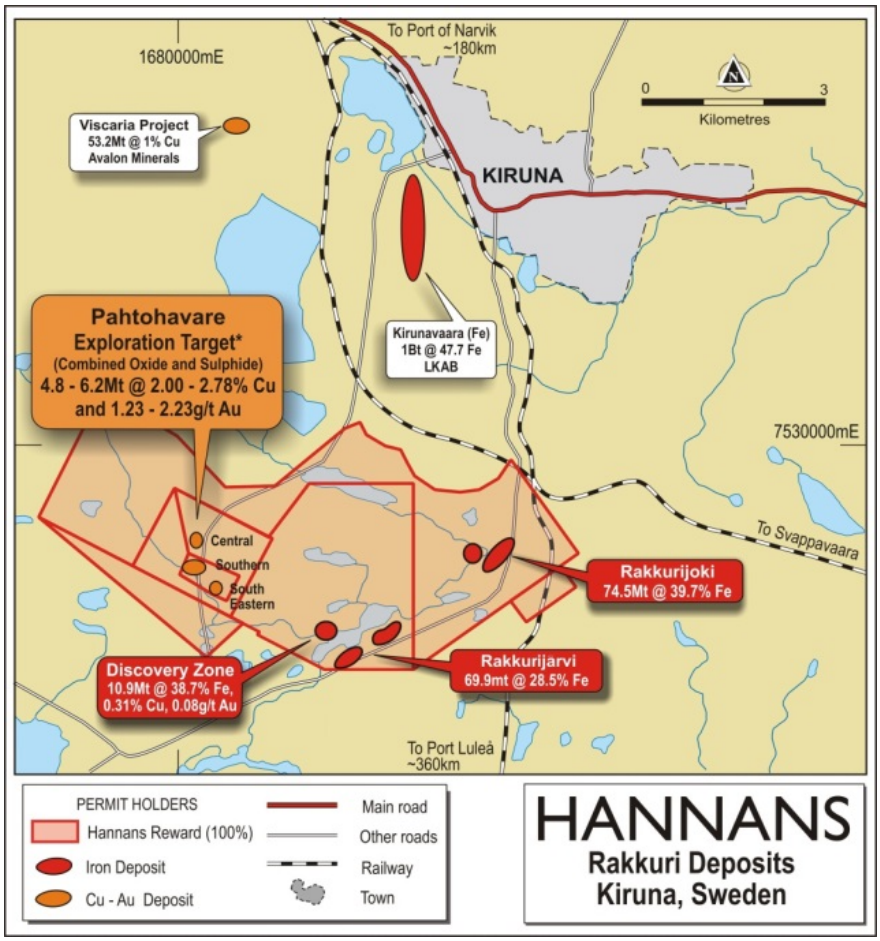

Figure 9: Pahtohavare and other Hannans Project locations in close proximity to Kiruna.

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[2] 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.

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.

Competent Persons Statement – Rakkurijärvi, Rakkurijoki and Discovery Mineral Resources

The mineral resource estimate for Rakkurijärvi, Rakkurijoki and Discovery 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.

Prospect	Mt	Fe (%)	P (%)	S (%)
Rakkurijärvi	69.6	28.5	0.07	0.93
Rakkurijoki	74.5	39.7	0.28	0.89
Discovery Zone	10.9	38.7	0.05	0.95

Notes

Survey:

Historic drillhole collars from the Eastern Zone are yet to be picked-up in the field by RTK GPS; current co-ordinates have been derived from a grid transformation using RTK GPS collar positions from Central Zone.

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 56mm 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.

APPENDIX 1

Profile	Drillhole	Northing	Easting	Dip	Azi	EOH Depth	From	To	Interval	Cu %	Au g/t
10	PAH88072	7527215.581	1680647.584	-60	340	137.3	110.6	129.15	18.55	0.55	0.44
10	PAH88031	7527201.991	1680657.797	-60	335	152.2	114.4	124.68	10.28	1.1	0.83
10	PAH85116	7527056.533	1680704.72	-60	340	447.29	167.32	176.45	9.13	2.4	-
10	PAH85116	7527056.533	1680704.72	-60	340	447.29	400.9	411.7	10.8	1	
10	PAH87004	7526903.029	1680754.082	-60	345	461.35	277.9	300.85	22.95	1.14	1.12
10	PAH86101	7527004.704	1680723.584	-60	340	447.1	423.75	447.1	23.35	1.5	-
10	PAH85120	7526951.142	1680739.399	-60	345	488.8	369.5	373.5	4	2.9	0.6
1202	PAH86001	7527188.607	1680544.528	-60	25	138.2	61.2	71.85	10.65	1.7	0.8
1202	PAH85015	7527138.337	1680522.191	-60	25	335.98	152.6	157.15	4.55	2.6	-
8	PAH86011	7527204.368	1680728.419	-75	160	409.34	288.1	300.4	12.3	1.4	0.09
8	PAH86106	7526986.725	1680802.367	-60	340	406	332.8	349.25	16.45	2.6	5.6
8	PAH86115	7526936.648	1680819.841	-60	340	424	244.9	270.94	26.04	0.67	0.18
8	PAH87001	7526889.433	1680836.266	-60	340	343.05	297.7	327.9	30.2	0.7	-

Table 2: Intercepts from profiles 8, 10 and 1202W at the South Eastern Deposit, Pahtohavare. Refer to Notes on Page 9 for details of assaying.

Profile	Drillhole	Northing (RT 90)	Easting (RT90)	Dip	Azi	EOH Depth	From (m)	To (m)	Interval	Cu %	Zn %
1	PAH85007	7528119	1680804	-55	240	94.35	71	90.4	19.4	0.29	-
2	PAH85001	7527833	1680871	-55	250	98.74	21.5	28.6	7.1	0.67	0.11
2	PAH85002	7527845	1680910	-55	250	200.49	58.39	73.8	15.41	0.64	-
2	PAH85005	7527877	1681017	-55	250	186.78	160.3	168.25	7.95	0.44	-
2	PAH85006	7527877	1681017	-80	250	253.49	210.8	230.8	20	0.25	0.44
3	PAH85013	7527504	1681129	-55	270	281.6	141.4	147.4	6	0.65	-
4	PAH84001	7527395	1680951	-55	260	200.19	86.04	108.2	22.2	0.35	0.13
4	PAH84001	7527395	1680951	-55	260	200.19	131.23	131.61	0.38	1.01	-
4	PAH84002	7527414	1680999	-55	260	170.26	18.88	30.95	12.07	0.33	-
4	PAH84002	7527414	1680999	-55	260	170.26	127.6	143.4	15.78	0.4	0.15
4	PAH84002	7527414	1680999	-55	260	170.26	159.59	162.11	2.51	0.35	-
4	PAH84003	7527420	1681039	-60	260	216.64	59.22	62.22	3	0.88	-
4	PAH84003	7527420	1681039	-60	260	216.64	109.1	117.6	8.55	0.37	-
4	PAH84003	7527420	1681039	-60	260	216.64	158.7	169.3	10.6	0.56	0.15
4	PAH84003	7527420	1681039	-60	260	216.64	175.4	180.2	4.82	3.58	0.34
4	PAH85104	7527423	1680877	-55	260	83	14.8	17	2.2	0.17	-
4	PAH84004	7527427	1681078	-60	260	230.91	77.7	79.1	1.4	0.33	-
4	PAH84004	7527427	1681078	-60	260	230.91	153.5	154.5	1	0.55	-
4	PAH84004	7527427	1681078	-60	260	230.91	212.5	214	1.5	1.19	-
4	PAH85012	7527443	1681175	-60	260	270	175.5	185.2	9.7	0.11	-
4	PAH85012	7527443	1681175	-60	260	270	233.5	238.9	5.4	0.85	0.43
4	PAH85014	7527443	1681175	-80	260	308.63	262.3	267.45	5.15	0.12	-
4	PAH85014	7527443	1681175	-80	260	308.63	277.4	284	6.6	0.23	-
5	PAH85109	7527301	1681040	-55	295	207.29	46.45	50	3.55	1.3	-
5	PAH85109	7527301	1681040	-55	295	207.29	180.65	182.2	1.55	4.65	0.3
6	PAH85106	7527337	1680837	-55	295	63	51.2	54	2.8	0.33	-
6	PAH85107	7527286	1680924	-55	295	188.25	29.43	34.85	5.42	0.75	-
6	PAH85107	7527286	1680924	-55	295	188.25	129.4	132.55	3.15	0.35	-
6	PAH85107	7527286	1680924	-55	295	188.25	144.7	149	4.3	0.29	-
6	PAH85108	7527244	1681012	-55	295	216.15	99.65	103.35	4.3	2.17	0.28
6	PAH85108	7527244	1681012	-55	295	216.15	181.9	197.3	15.45	0.22	0.19
6	PAH85110	7527202	1681098	-60	295	296.59	260	275.4	15.35	0.52	0.14
6	PAH85110	7527202	1681098	-60	295	296.59	284.5	286.3	1.84	2.09	0.39

Table 3: Intercepts from profiles 1 to 6 at the Eastern Zone mineralisation, Pahtohavare. Refer to Notes on Page 9 for details of assaying.