

HANNANS

18 March 2013

ASX & MEDIA ANNOUNCEMENT

FURTHER OUTSTANDING HISTORIC COPPER-GOLD DRILLING RESULTS

Highlights:

- ✓ Further outstanding historic copper-gold intercepts uncovered from the Central orebody at the Pahtohavare Project including:
 - 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)

Hannans Reward Ltd (ASX:HNR) (**Hannans**) is pleased to announce further historic copper-gold drilling results from its 100% owned Pahtohavare Project located in northern Sweden (refer Figure 4). The outstanding results (refer Table 1) have recently been validated as part of an on-going data review process.

Hannans' initial focus has been on the Central orebody, one of three orebodies within the Pahtohavare project (refer Figure 4). The significant drill intercepts demonstrated in drill profiles 6 and 7 (refer Figures 1 and 2) highlight further broad, shallow zones of copper-gold mineralisation.

Hannans has now validated holes within drill profiles 1, 4, 5, 6, 7 and 8 (refer Figure 3 and ASX announcement dated 14th March 2013) and is in the process of validating the final 12 holes within drill profiles 2 and 3.

When the Central orebody review is completed the focus will move to reviewing the historic underground mining operations and potential for additional mineralisation at both the Southern and South Eastern orebodies (refer Figure 4 and ASX announcement dated 12th March 2013).

The company is aiming to use the historic information and data from its own exploration programmes to generate drill targets for testing during 2013 and to aid in converting the existing JORC Exploration Target¹ (refer Table 2) into a JORC Mineral Resource.

¹ 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.

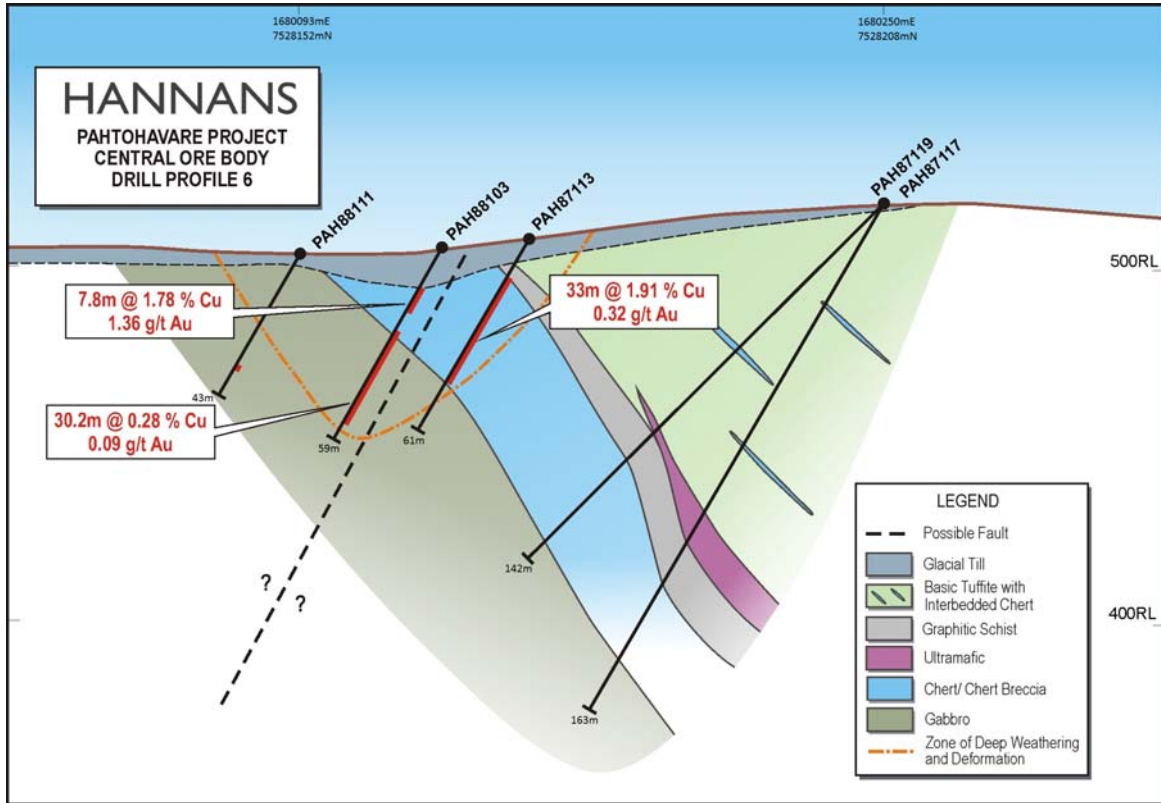


Figure 1 - Drill profile 6 at the Central orebody of Pahtohavare.

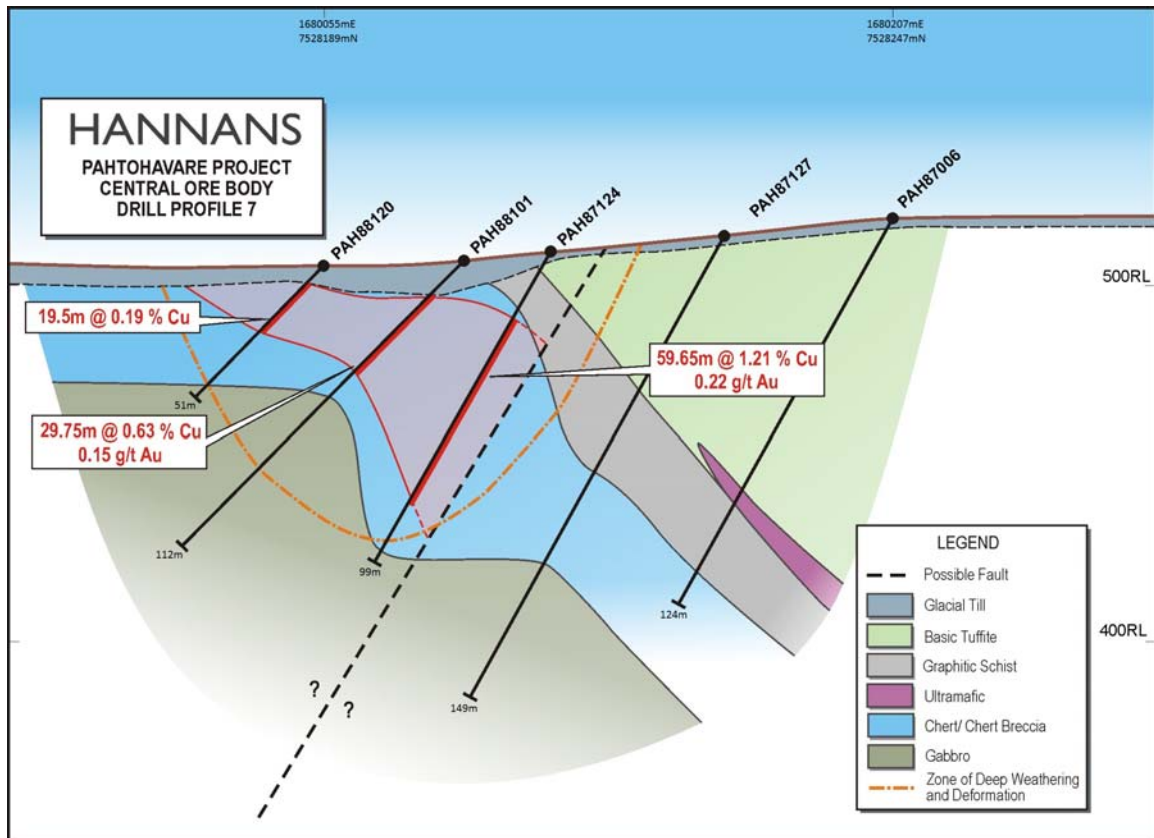


Figure 2 - Drill Profile 7 at the Central orebody of Pahtohavare.

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 Figure 4).

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. Three deposits were defined at Pahtohavare (refer Figure 4) namely;

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

The combined Exploration Target² for Pahtohavare 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 Overview

A total of 50 drill holes were completed at the Central ore body by previous explorers during the period 1984 – 1996; 46 holes were drilled within 8 drill profiles (each profile 50 metres apart) and 4 holes were drilled outside of these profiles (refer Figure 3). The updated strike extent is approximately 300 metres; profiles 1 and 8 have recently been validated and had no significant assays.

The copper-gold mineralisation at the Central oxide orebody is complex and controlled primarily by structure and secondly by lithology; it has experienced intense faulting and folding. Unlike drill profiles 4 and 5 (refer ASX announcement 14th March 2013) the mineralised zones in profiles 6 and 7 do not appear to continue at depth; however it is possible they have been displaced through faulting.

Intense weathering and deformation within the mineralised zones on profiles 6 and 7 indicate a significant structure could be controlling the mineralisation at the Central orebody which may have possibly led to enhanced supergene enrichment. Further work is required to better understand the geology and controls on mineralisation in profiles 6 and 7. This will form part of the on-going exploration programme and will be a necessary component of converting the JORC Exploration Target into a JORC Mineral Resource.

Continued...

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.

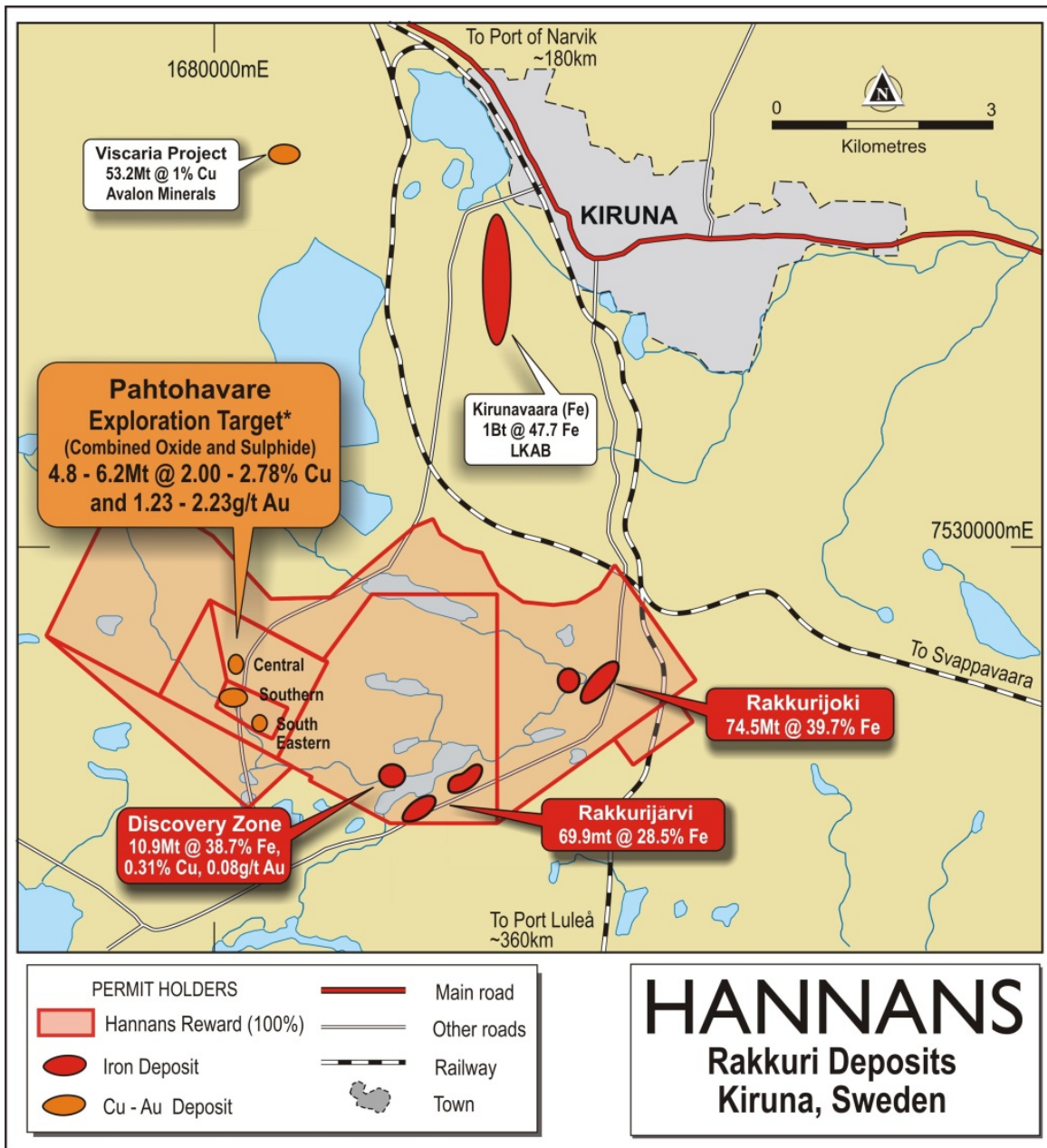


Figure 4 - Pahtohavare and other Hannans project locations in close proximity to the Kiruna Township.

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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, Scandinavian Resources 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.

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 RT90 (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 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 high value has been diluted by lower values they have been reported as such in Table 1.