

HANNANS

4 July 2013

ASX & MEDIA ANNOUNCEMENT

VISIBLE COPPER MINERALISATION INTERSECTED

Highlights:

- Visible copper mineralisation intersected in all five drillholes completed to date
- First batch of samples submitted to the laboratory; results expected mid-July
- Conceptual exploration target testing for extensions of oxide copper mineralisation planned to be drilled next week
- Diamond drilling being planned for August to test copper targets at depth

Hannans Reward Ltd (ASX:HNR) (**Hannans**) is pleased to provide an update on reverse circulation (RC) drilling activities from its 100% owned Pahtohavare Project located in northern Sweden (refer Figure 3).

Five RC drillholes have now been completed at Central with each hole having intersected visible oxide copper mineralisation within a number of different horizons (refer to Figure 1 for an example only). The first batch of samples has been submitted for assay with results expected in mid-July. The next batch of samples will be submitted next week with results expected at the end of July.

An important conceptual exploration target is planned to be tested next week. The aim is to ascertain whether scope exists for additional copper oxide mineralisation along strike of the Central copper orebody.

Diamond drilling is planned for August to test a number of copper targets at depth including multiple EM conductors identified 'down dip' from the existing copper-gold mineralisation (refer ASX announcement 20th March 2014), . Each hole will be approximately 300m in depth and initially four to five targets are likely to be tested. This program is subject to receipt of final tenders.

RC drill progress at Pahtohavare has so far been slower than expected due to a combination of access issues (wet boggy ground), difficult drilling conditions (clay zones) and drilling contractor related issues. One important RC drill hole (PARC13001) was abandoned at a depth of 141m in mineralisation, after intersecting one copper horizon and then penetrating several metres into the main copper ore zone. The hole was stopped in the ore zone because of the difficult drilling conditions. The drill contractor is currently proposing re-entering this hole to reach target depth next week.

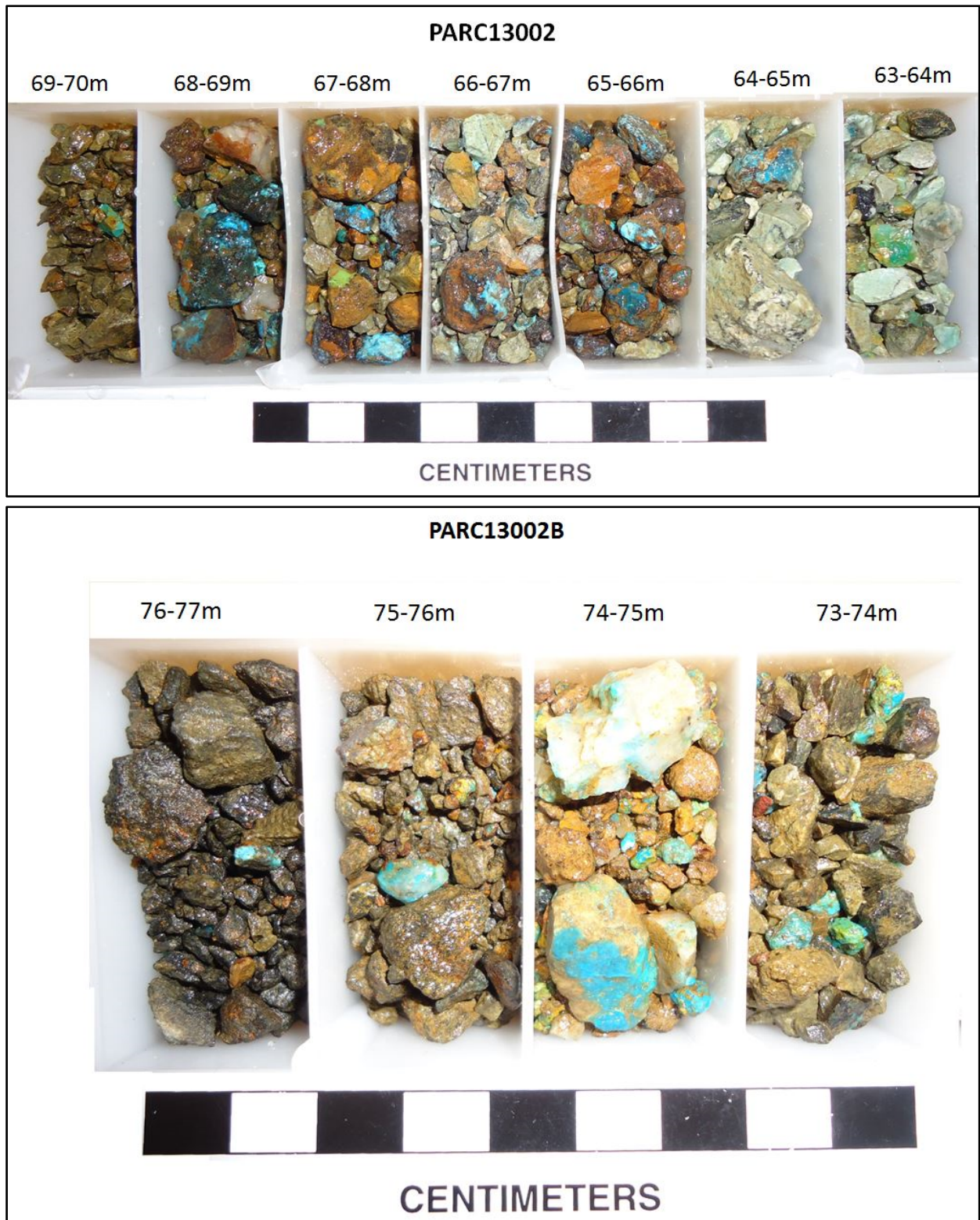


Figure 1: Oxide copper mineralisation in weathered, albite-silica altered mafic tuffite from PARC13002/B, Central Zone, Pahtohavare. PARC13002 and PARC13002B are the same hole at surface; due to drilling difficulties a second hole (PARC13002B) was cut below the casing at 24m. Down hole surveying showed the dip of the second hole to be the same as the first so the second hole has deviated laterally to the north by a few metres only.

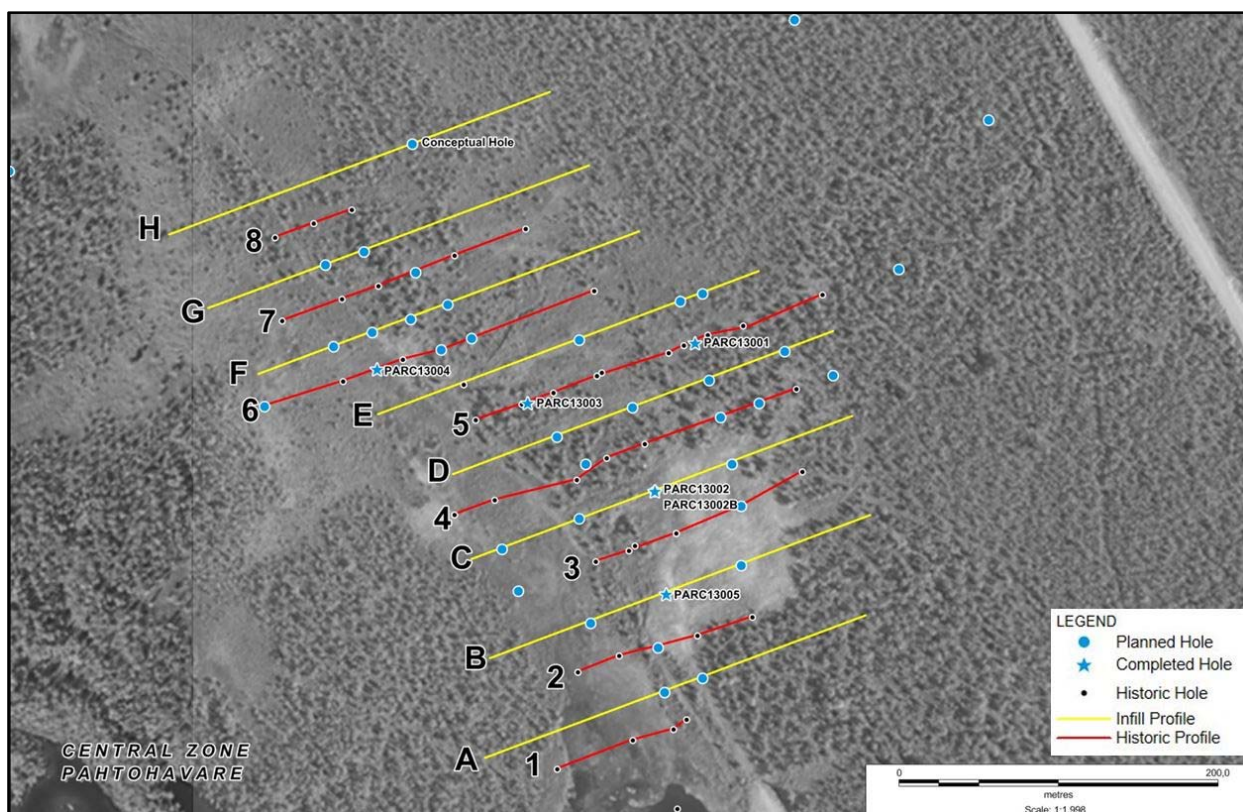


Figure 2: Drill hole location map, Central Zone, Pahtohavare

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 to Figure on page 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 1984. Three deposits were defined at Pahtohavare 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 Target¹ 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

¹The 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.

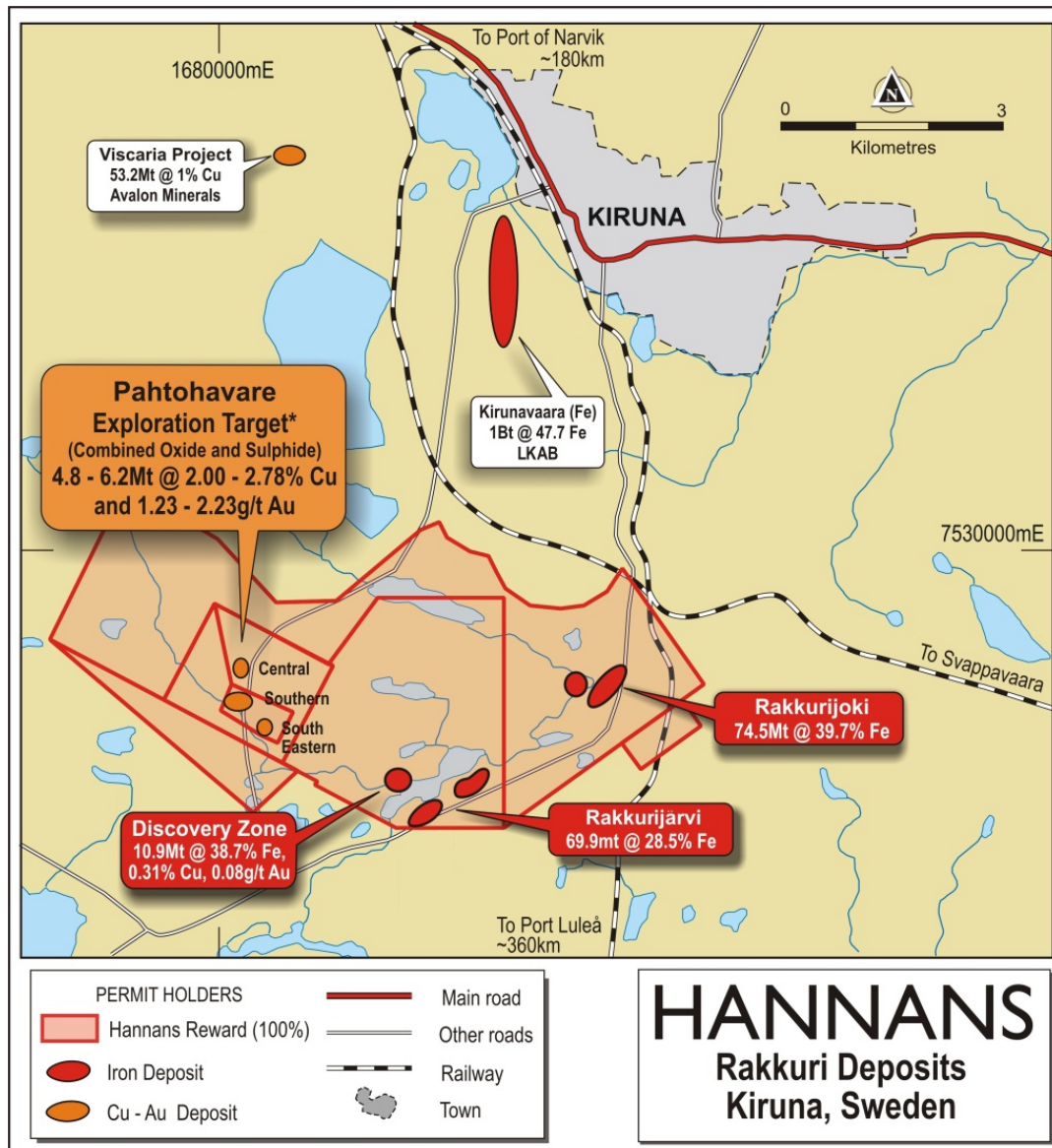


Figure 3: Location Map

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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.

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 coordinates 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 I

Five holes have been completed to date and are summarised briefly below in Table I:

Drill Hole	Northing (RT90)	Easting (RT90)	Dip	Azi	EOH (m)	Comments
PARC13001	7528176	1680313	-65	250	141	Hole abandoned in ore due to difficult drilling conditions
PARC13002	7528084	1680288	-57	250	70	Hole abandoned in ore due to difficult drilling conditions
PARC13002B	7528084	1680288	-57	250	136	New hole cut inside PARC13002 from 24m, completed
PARC13003	7528139	1680209	-60	250	112	Completed
PARC13004	7528152	1680120	-60	250	85	Completed
PARC13005	7528020	1680295	-60	250	100	Completed

Table I: Drill hole summary information, Central Zone, Pahtohavare.