

# HANNANS

12 March 2013

ASX & MEDIA ANNOUNCEMENT

## Significant Copper-Gold JORC Exploration Target

### Highlights:

- ✓ JORC<sup>1</sup> Exploration Target<sup>1</sup> of 4.8-6.2Mt @ 2.00-2.78% Cu and 1.23-2.23g/t Au confirmed.
- ✓ Opportunity to discover further high grade mineralisation through the testing of numerous geophysical and geochemical anomalies.
- ✓ Extensive historical database available with drilling, geophysical and geochemical datasets
- ✓ FLTEM geophysical survey following up historical airborne TEM anomalies recently completed.

Hannans Reward Ltd (ASX:HNR) (**Hannans**) is pleased to announce results from a review of the Company's 100% owned Pahtohavare copper-gold (Cu-Au) project. A high level review has recently been completed and the compilation and interpretation of extensive datasets is ongoing.

Preliminary results from the review have highlighted the projects potential for high grade Cu-Au mineralisation to be defined from existing drilling, with significant exploration upside possible from numerous untested geophysical and geochemical anomalies.

### OVERVIEW

The Pahtohavare project is located 7 kilometres south-west of Kiruna, a full-service mining town in Norrbotten County, northern Sweden (refer to Figure 1). 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.

Pahtohavare provides Shareholders with a unique investment opportunity - a high grade copper-gold project located close to modern infrastructure and first class mining services, in a low sovereign risk, mining friendly country.

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<sup>1</sup>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.

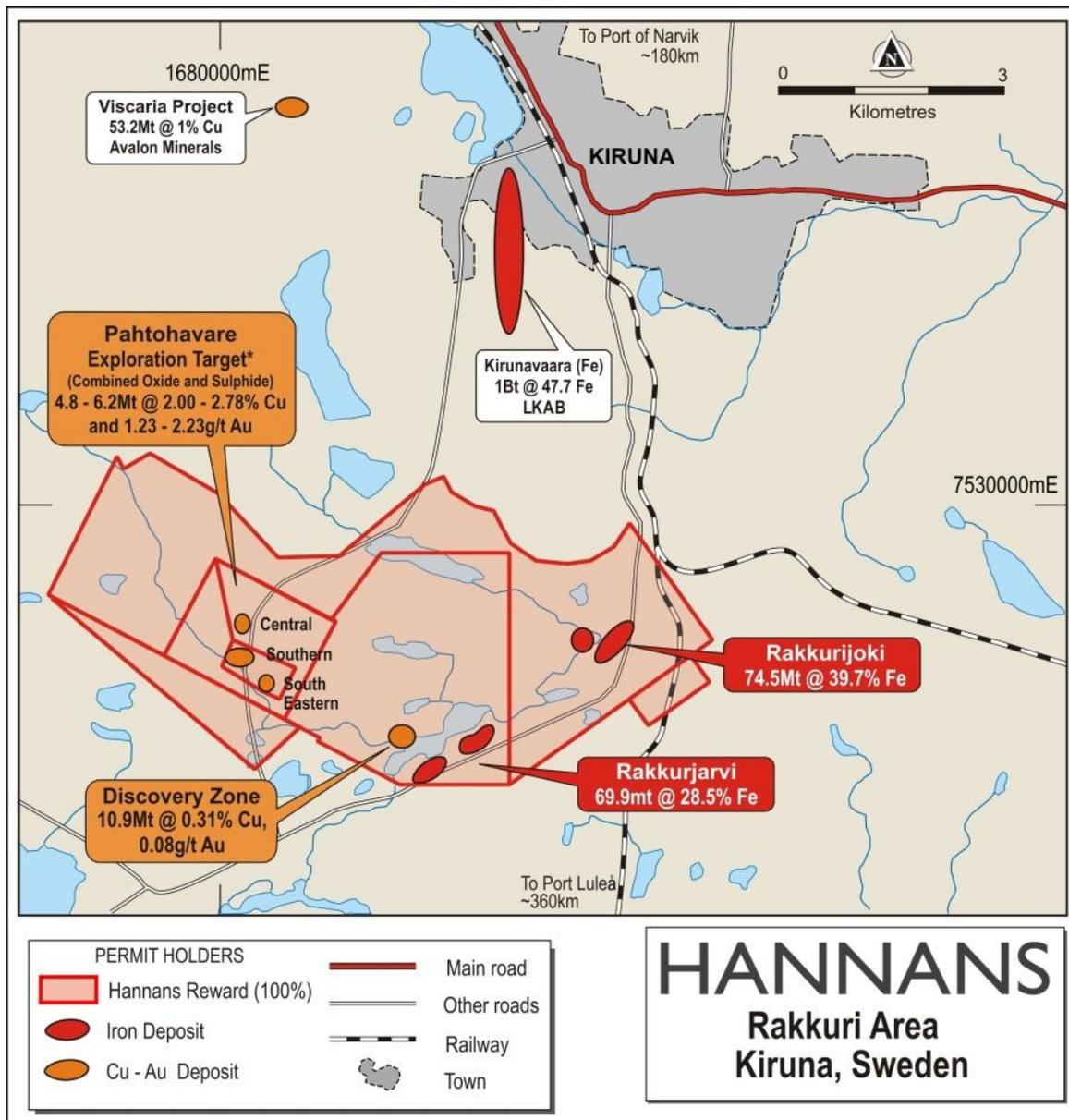


Figure 1– Pahtohavare and other Hannans Project locations in close proximity to the Kiruna township.

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. Three deposits were defined at Pahtohavare (refer to Figure 1) namely;

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

Following the discovery, production took place between 1989 and 1996 where Outokumpu mined a total 1.7Mt @ 1.9% Cu and 0.9g/t Au from the Southern and South-Eastern deposits through open-cut and shallow underground mining.

Ore mined from Pahtohavare provided satellite feed to Outokumpu’s processing facility at the Viscaria Copper Mine (located <10km to the north of Pahtohavare - refer to Figure 1). The Viscaria Mine operated between 1982 to 1996. Operations ceased due to the low copper price at the time (cA\$1.00/lb) and a strategic decision to exit most of its mining operations and move into downstream mineral processing.

Hannans acquired the Pahtohavare permits from Anglo American Exploration BV and Rio Tinto Mining & Exploration Ltd as part of a broader package of tenements prospective for iron, copper and gold in 2010.

Hannans main focus since the acquisition of these permits has been on exploring the iron potential at the Rakkuri deposits (~3km to the east, refer to Figure 1). A broad review of Hannans project portfolio was conducted in late 2012 and has since identified the significant potential for additional Cu-Au mineralisation at Pahtohavare.

## TECHNICAL REVIEW

The review conducted recently included the compiling, digitising and interpretation of historical datasets. A significant amount of historical data has been compiled over the project life, including over 300 drill holes (combination of diamond and hammer), extensive geochemistry and geophysics.

The availability of historical data, including >150 diamond holes stored in archive, has enabled an assessment of the Pahtohavare project to be conducted quickly and cost effectively.

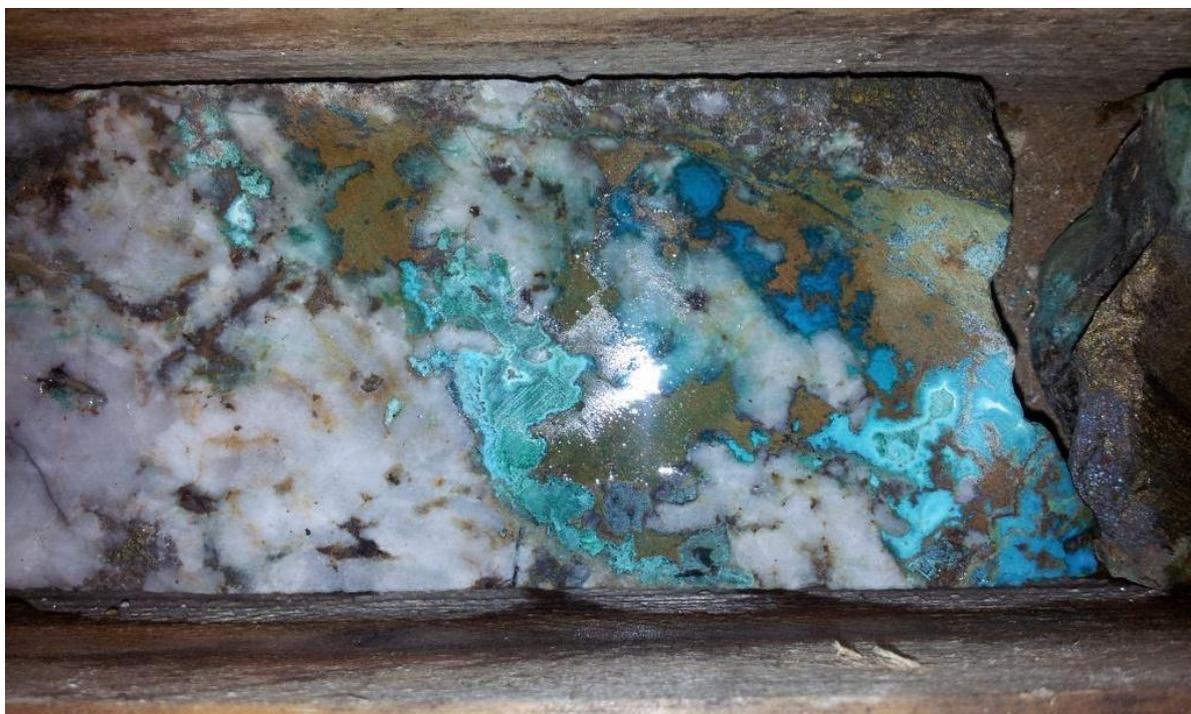


Figure 2 - Drillcore from the Central ore body with copper mineralisation (BH87120).

The review process enabled a new JORC Exploration Target to be calculated. A summary of the Exploration Target for Pahtohavare is summarised below:

	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
<b>Total (Oxide + Fresh)</b>	<b>4.8-6.2</b>	<b>2.00-2.78</b>	<b>1.23-2.23</b>

Table 1 - JORC Exploration Target

A number of follow-up exploration targets have now been identified at the Pahtohavare project from both the geophysical and geochemical data, as well as conceptual targets.

The highest priority target is a large, untested, historic airborne TEM anomaly A (refer to Figure 3) that is located at depth in a down-dip position to the Central (oxide) ore body.

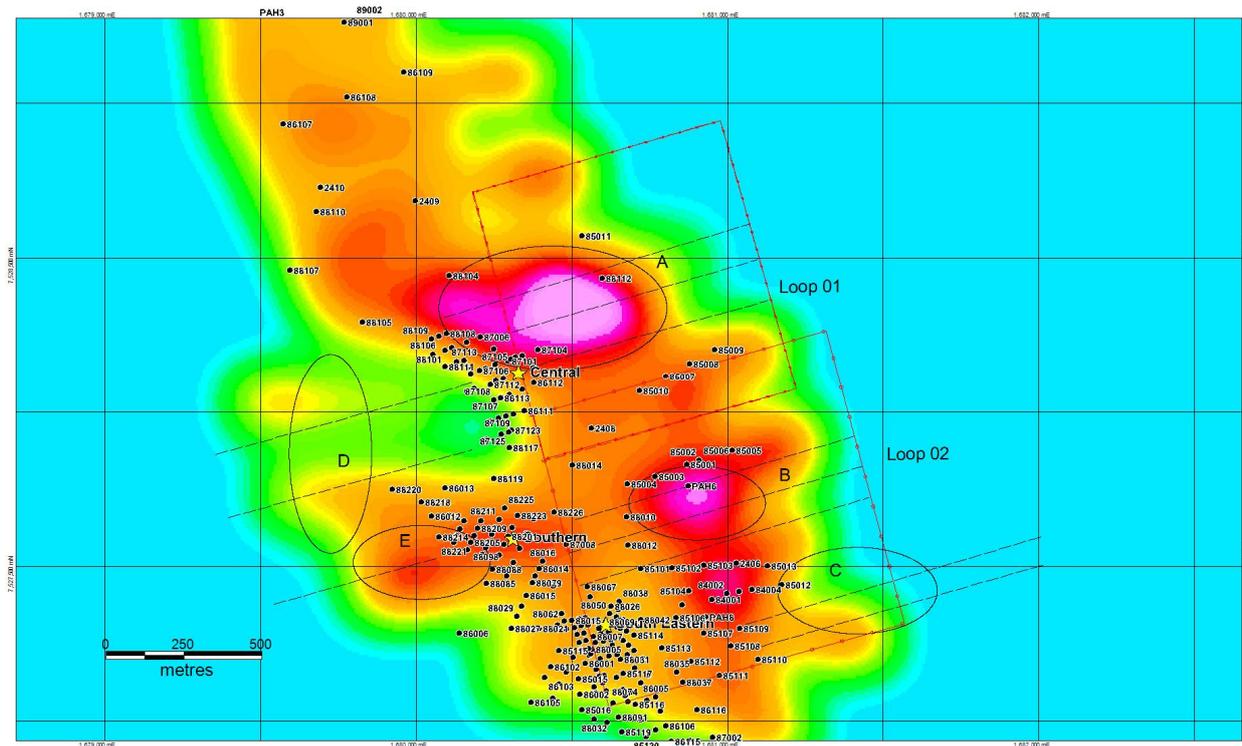


Figure 3 – TAU decay image showing several untested airborne TEM anomalies and the location of recent ground fixed-loop surveys.

## FUTURE WORK

A ground-based FLTEM<sup>2</sup> survey (refer to Figure 3), covering four of the five existing historical airborne TEM<sup>3</sup> anomalies was completed at the end of February to follow up and further define the airborne generated anomalies. Processing and modelling of the geophysical data is currently underway with results expected in March. Anomaly C will be tested later during the Spring.

A reverse circulation drilling program is being planned to test multiple historic geochemical anomalies and to follow up on copper-gold mineralisation intercepted in historic diamond drillholes.

A geological consultancy firm will be engaged to review the Pahtohavare database and develop a work plan for bringing the current JORC Exploration Target into a maiden JORC compliant resource. The work program will most likely consist of locating historic drill collars, check assaying of historical drill core and twin diamond drilling.

On receipt of the FLTEM survey interpretation and review from the consulting firm, a detailed diamond drilling program will be planned and executed. The drilling will aim to test the defined FLTEM anomalies as well as confirm and extend the mineralisation in the existing ore bodies.

Results from the diamond drilling will feed into calculating a maiden JORC resource for Pahtohavare, which Hannans is aiming to have completed in the 3<sup>rd</sup> calendar quarter of 2013.

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<sup>2</sup>FLTEM survey – Fixed-Loop Transient Electro-Magnetic survey.

<sup>3</sup>TEM survey – Transient Electro-Magnetic survey.

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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.