

HANNANS

5 November 2014

ASX & MEDIA ANNOUNCEMENT

Lannavaara Iron Project

Scoping Study – Logistics

- ∂ Iron concentrate and natural gas pipeline scoping study completed
- ∂ Pipeline system identified by Ausenco is well within the envelope of proven technology and existing commercial experience

Hannans Reward Ltd (ASX:HNR) (Hannans or the Company) is pleased to provide an update on its 100% owned Lannavaara Iron Project (LIP), located approximately 80km north-east of Kiruna, northern Sweden (refer Location Map).

The Lannavaara Iron Project has the potential to be a large, long life iron project¹ and a scoping study has been initiated to assess the feasibility of developing a sustainable business in Lannavaara. One critical aspect of the project's viability is the logistics system for transporting an iron product from mine to port.

Engineering, Construction and Project Management services company Ausenco has recently completed a conceptual pipeline study and cost estimate for the transport of both iron concentrate and natural gas between Lannavaara, Sweden and Skibotn, Norway.

Importantly Ausenco has advised that the conceptual level design for the proposed concentrate, return water and gas pipelines is based on systems well within the envelope of proven technology and existing commercial experience. The capital and operating costs estimated in the pipeline study will be integrated into a financial model during the LIP scoping study process.

Ausenco have also highlighted that Pipelines offer the following advantages over competing transport infrastructure (rail and road):

- Lower environmental and community impact
- Lower lifecycle costs
- Less impacted by severe weather events
- Higher community safety
- High system reliability and availability

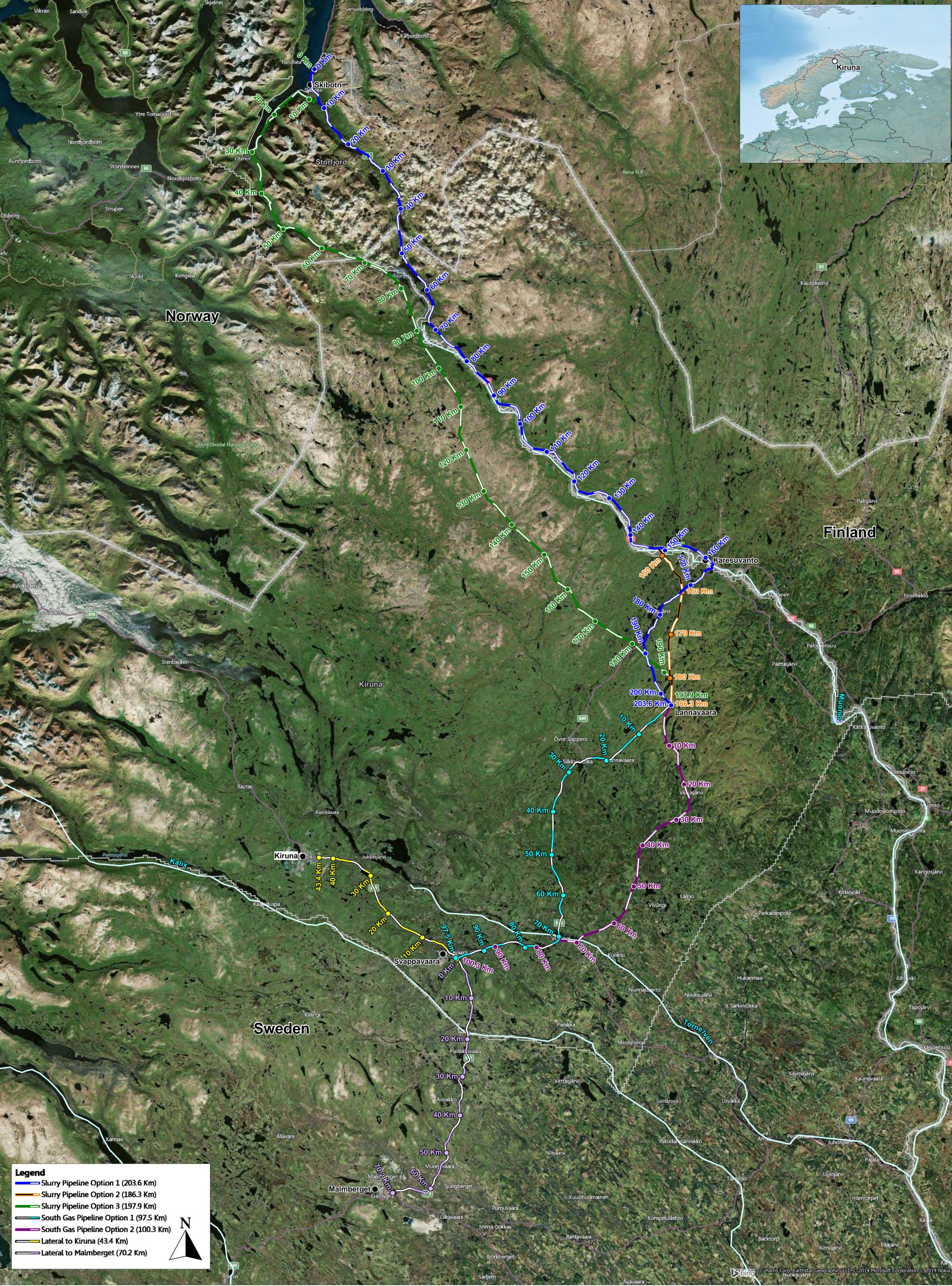
Hannans will initiate a review of the legal, environmental and social licenses required to operate pipelines in the Nordic region.

Additional project related studies will be initiated through 2014/2015.

For further information please contact:

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¹ Refer ASX release dated 1 July 2014



Norway

Finland

Sweden

Legend

- Slurry Pipeline Option 1 (203.6 Km)
- Slurry Pipeline Option 2 (186.3 Km)
- Slurry Pipeline Option 3 (197.9 Km)
- South Gas Pipeline Option 1 (97.5 Km)
- South Gas Pipeline Option 2 (100.3 Km)
- Lateral to Kiruna (43.4 Km)
- Lateral to Malmberget (70.2 Km)

