

HANNANS

24 November 2015

ASX & MEDIA ANNOUNCEMENT

Positive Joint Venture Decision

- Swedish mining company to proceed to Stage 2 of Pahtohavare Cu-Au joint venture
- Hannans to retain a 25% interest free carried to a Decision to Mine

Hannans Reward Ltd (ASX:HNR) is pleased to advise that Swedish mining company and joint venture partner, Lovisagruvan AB (AktieTorget: LOVI) has formally notified Hannans of its decision to proceed to Stage 2 of the Pahtohavare Joint Venture.

The Pahtohavare Cu-Au Project comprises three deposits, namely Central, Southern and South Eastern and is located approximately 8km south-west of Kiruna, a full service mining town in northern Sweden (refer Figures 1 and 2). The Central deposit contains a current JORC Compliant Inferred Mineral Resource Estimate¹ of 1.4Mt at 1.8% Cu and 0.6 g/t Au (2.4% CuEq²).

Lovisagruvan AB is funding the costs of exploration pursuant to the Joint Venture announced to ASX on 27 March 2015 with Hannans to retain a 25% free carried interest through to a Decision to Mine. Hannans and Lovisagruvan will now incorporate a corporation (a Swedish aktiebolag) through which the joint venture will be administered.

As part of their Stage 2 commitment Lovisagruvan will:

- prepare and lodge an exploitation concession application (i.e. a mining lease application) for the Central deposit within approximately 12 months; and
- provide Hannans' wholly owned subsidiary Kiruna Iron AB with a AUD0.475M interest free working capital facility.

As part of their Stage 1 commitment Lovisagruvan spent AUD0.7M and completed the following:

- 8 new diamond holes and 1 diamond tail for a total of 760.3m. The drilling programme confirmed the wide, high-grade nature of the copper-gold-silver mineralisation at Central but also showed that the mineralisation is complex, likely due to the insitu weathering and subsequent supergene overprinting of the deposit.
- copper speciation testwork that showed the majority of the copper mineralisation is associated with cuperiferous clays. Copper speciation testwork, undertaken using an aggressive acid (H₂SO₄) concentration of 50g/L over 1 hour, indicated the percentage of acid soluble copper for each of the three composites ranged from 83.10-87.85%.
- a preliminary environmental review that showed the waste rock is most likely not acid producing and no major environmental problems are expected from the existing waste dumps.

¹ Refer ASX Announcement dated 31st January 2014 for more information regarding the resource estimate including JORC Table 1 information.

² Copper equivalent (CuEq) has been calculated using metal selling prices of USD\$3.56 / lb for Cu and USD\$1,510 / Oz for Au, along with metal recoveries of 90% for Au and 65% for Cu in sulphide material and 80% for Au and 50% of Cu in oxide material. The following equations were used:

- Oxide: $CuEq = (1.12 \times Au \text{ (ppm) grade}) + (0.98 \times Cu\% \text{ grade})$
- Sulphide: $CuEq = (0.97 \times Au \text{ (ppm) grade}) + (0.99 \times Cu\% \text{ grade})$

It is the company's opinion that the copper and gold metals used in the metal equivalent calculation have a reasonable potential for recovery and sale based on historical metallurgical testwork and previous mining.

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About Hannans Reward Ltd

Hannans Reward Ltd (ASX:HNR) is an exploration company with a focus on copper, gold, nickel, PGE and iron. Hannans has JORC compliant copper, gold and iron resources in Sweden, a major Ni-Cu-PGE project in Sweden and a free-carried interest in a nickel project in Australia. Since listing on the Australian Securities Exchange in 2003 Hannans has signed agreements with Vale Inco, Rio Tinto, Anglo American, Boliden, Warwick Resources, Cullen Resources, Azure Minerals, Neometals, Tasman Metals and Grängesberg Iron. Shareholders at various times since listing have included Rio Tinto, Anglo American, OM Holdings, Craton Capital and BlackRock. For more information please visit www.hannansreward.com.

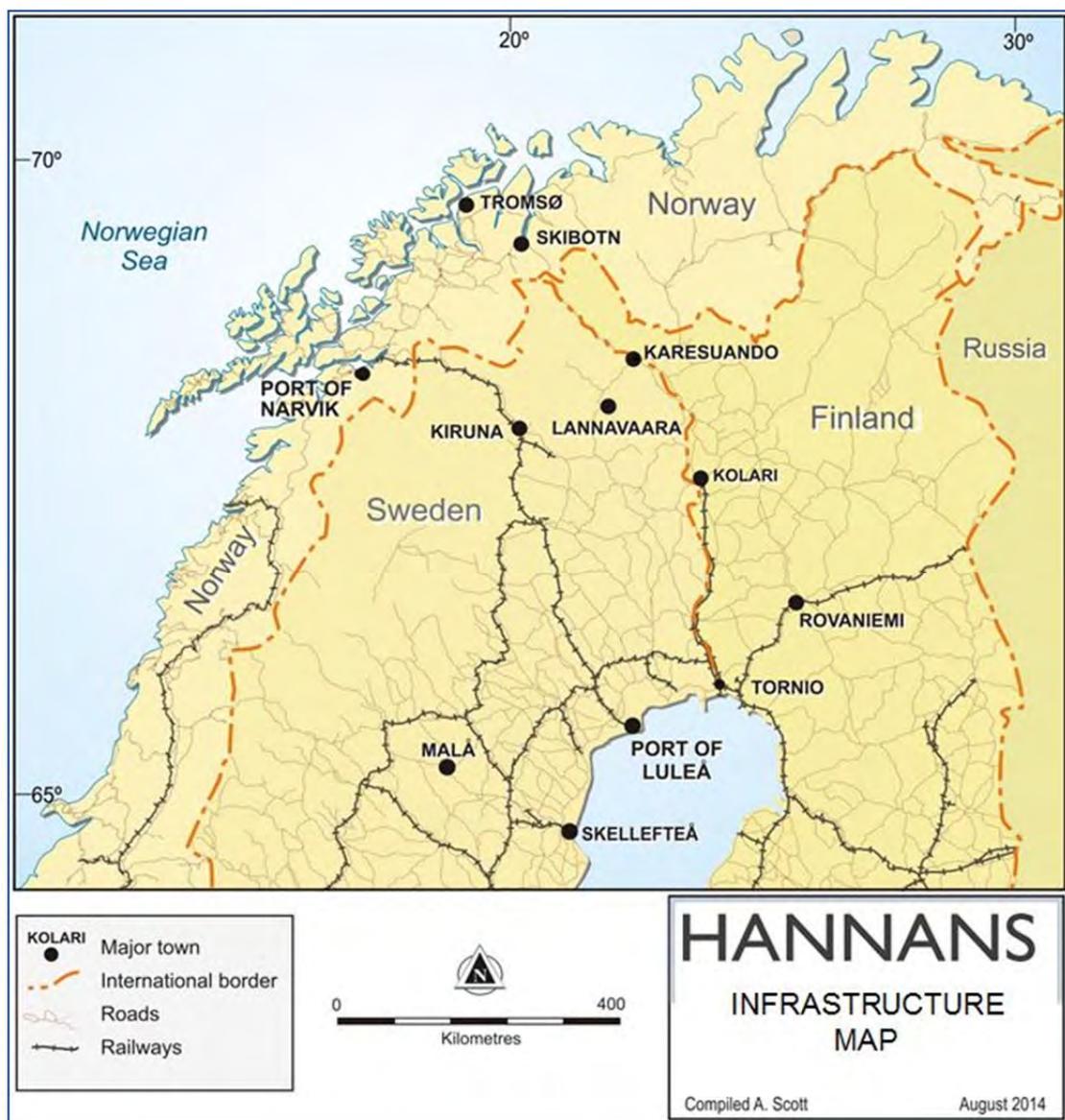


Figure 1: Location of the Kiruna, northern Sweden

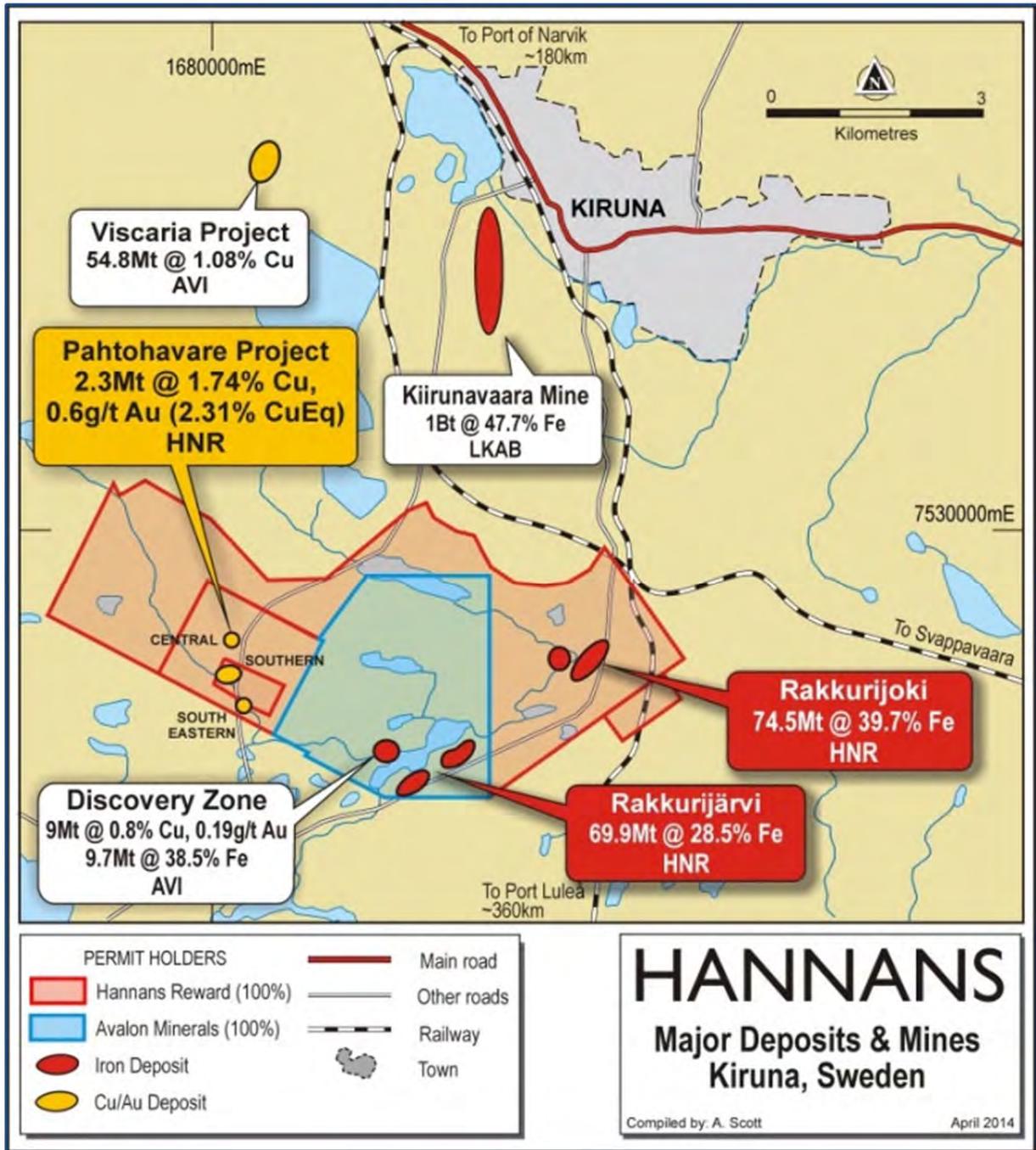


Figure 2: Location of the Pahtohavare Project, south-west of Kiruna, northern Sweden³.

³ The area shown in blue refers to an area defined in an agreement Hannans had with Avalon Minerals Ltd (ASX:AVI). This security of this tenure is uncertain and it is uncertain if Hannans retains any rights to the deposits within the blue area (refer to ASX release dated 28 October 2015).

Competent Persons Statements

The information in this document that relates to exploration results is based on information compiled by Amanda Scott, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (Membership No.990895). Amanda Scott is a full-time employee of Hannans Reward Ltd. Amanda 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 in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Amanda Scott consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this document that relates to Mineral Resource and Exploration Target Estimates for Pahtohavare is extracted from the report entitled "Re-Release of Maiden JORC Resource at Pahtohavare To Comply With JORC" created on 31 January 2014 and is available to view on the Company's website (www.hannansreward.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and in the case of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this document that relates to Mineral Resource Estimates for Rakkurijoki and Rakkurijärvi is extracted from the report entitled "Kiruna Iron Project JORC Resource Update" created on 17 January 2012 and is available to view on the Company's website (www.hannansreward.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and in the case of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.