

HANNANS

14 May 2015

ASX & MEDIA ANNOUNCEMENT

Copper Metallurgical Test Work

- § Stage 2 metallurgical test work has commenced on the Central deposit at the Pahtohavare Project, Sweden
- § Tests will assess amenability of the copper ore to be recovered via traditional agitated leaching and continuous vat leaching, as well as the ability to recover copper and gold, and the level of reagent consumption
- § Test work being funded by JV Partner, Swedish mining company Lovisagruvan AB

Hannans Reward Ltd (ASX:HNR) advises that metallurgical testwork on ore from the Central oxide deposit at the Pahtohavare Project has commenced and is expected to take seven weeks to complete. The Pahtohavare Copper-Gold Project is located approximately 8km south-west of Kiruna, northern Sweden (refer Location Map on page 2).

Hannans Managing Director Damian Hicks said, "Hannans and Lovisagruvan have been working well together since the joint venture was announced in March 2015. It is clear that Lovisagruvan want to assess, as quickly as possible, the potential to mine the Central copper-gold oxide deposit and then test the deeper sulphide targets. We have an excellent partner and we're very impressed with the way they operate."

A field trip was completed last week to the project area where meetings took place with stakeholders and a key person involved with the mining of copper at Pahtohavare by previous owners. On the back of this successful field trip, Stage 2 metallurgical test work has now commenced. Final preparations are being made to commence a six hole diamond drilling program to further test the continuity of the Central copper-gold oxide ore body. The drilling is expected to commence in June."



Figure 1: Lovisagruvan AB Director and Exploration Geologist Stefan Sädbom inspecting samples at Pahtohavare during a recent field trip. The Pahtohavare waste dump is in the background.



Figure 2: Examples of massive chalcopyrite copper ore from Pahtohavare. Samples, likely from the Southern Deposit, were located on the mines' waste dump during a recent field trip.

More specifically the Stage 2 testwork will include the following:

- Generating a new master composite from available samples with resultant feed grade closer to the current resource grade of 1.8% Cu and 0.6 g/t Au.
- An acid leach followed by cyanide leach bottle rolls on weathered and fresh samples at varying crush/grind sizes (212 μ & 106 μ) to assess the amenability of deposit to traditional agitated leaching and continuous vat leaching (CVL). The recovery of copper and gold together with reagent consumptions will be assessed.
- Additional copper speciation testwork using the new master composite will be completed.
- Viscosity testwork to ascertain any material handling issues due to the presence of swelling clays, noting the presence of swelling clays from Stage 1 XRD testwork.

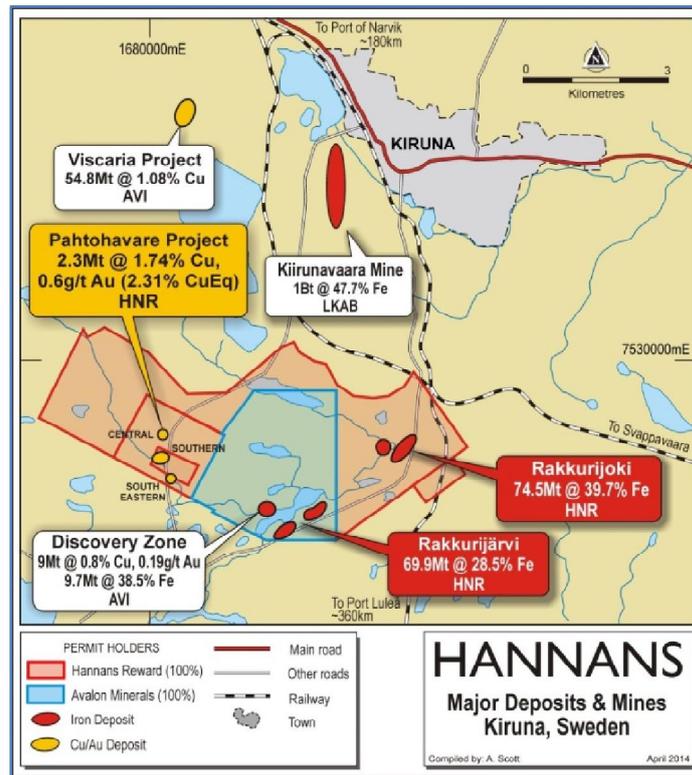


Figure 3: Location Map showing the location of the Pahtohavare Copper-Gold Project, northern Sweden.



Figure 4: Photograph taken from the top of the Pahtohavare waste dump looking westward towards the Southern open cut pit.

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About Hannans Reward Ltd

Hannans Reward Ltd (ASX:HNR) is an exploration company with a focus on copper, gold, nickel and iron.

Hannans has JORC compliant copper, gold and iron resources in Sweden, a free-carried interest in a nickel project in Australia and a royalty interest on a copper exploration project in Norway. Since listing on the Australian Securities Exchange in 2003 Hannans has signed agreements with Lovisagruvan AB, Vale Inco, Rio Tinto, Anglo American, Boliden, Warwick Resources, Cullen Resources, Nickel Australia, Reed Resources, Tasman Metals and Grängesberg Iron. Shareholders at various times since listing have included Rio Tinto, Anglo American, OM Holdings and BlackRock. For more information please visit www.hannansreward.com

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.