

# HANNANS

14 March 2013

ASX & MEDIA ANNOUNCEMENT

## OUTSTANDING HISTORIC COPPER-GOLD DRILLING RESULTS

### Highlights:

- ✓ Outstanding historic copper-gold intercepts uncovered from the Central orebody at the Pahtohavare Project including:
  - 9.18m @ 5.25% Cu & 0.23g/t Au from 115m (PAH87126)
  - 46m @ 1.1% Cu & 0.63g/t Au from 67.4m (PAH87105)  
Incl: 13.95m @ 2.2% Cu & 0.9g/t Au from 85.79m
  - 2.15m @ 15.9% Cu & 7.7g/t Au from 117.69m (PAH87105)
  - 1.39m @ 8.8% Cu & 4g/t Au from 128.4m (PAH87105)

Hannans Reward Ltd (ASX:HNR) (**Hannans**) is pleased to announce recently uncovered historic copper-gold drilling results from its 100% owned Pahtohavare Project located in northern Sweden (refer Figure 4). The outstanding drilling results (refer Table 1) have been confirmed through data review and validation.

Hannans' initial focus has been on the Central orebody, one of three orebodies within the Pahtohavare Project (refer Figure 4). The significant historic drill intercepts demonstrated in drill profiles 4 and 5 (refer Figures 1 and 2) confirm the shallow, high-grade copper-gold mineralisation at the Central orebody. The profiles also highlight areas of ineffective historic drilling close to surface and the potential for extensions of primary copper-gold mineralisation at depth.

To date, Hannans has validated 13 holes shown in drill profiles 4 and 5 and is in the process of validating the remaining 37 holes at the Central orebody.

Upon completion of the Central orebody review the focus will move to reviewing the historic underground mining operations and potential for additional mineralisation at both the Southern and South Eastern orebodies (refer Figure 4 and ASX announcement dated 12<sup>th</sup> March 2013).

The Company is aiming to use the historic information and data from its own exploration programmes to generate drill targets for testing during 2013 and to aid in conversion of the existing JORC Exploration Target<sup>1</sup> (refer Table 2) into a JORC Mineral Resource.

<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.

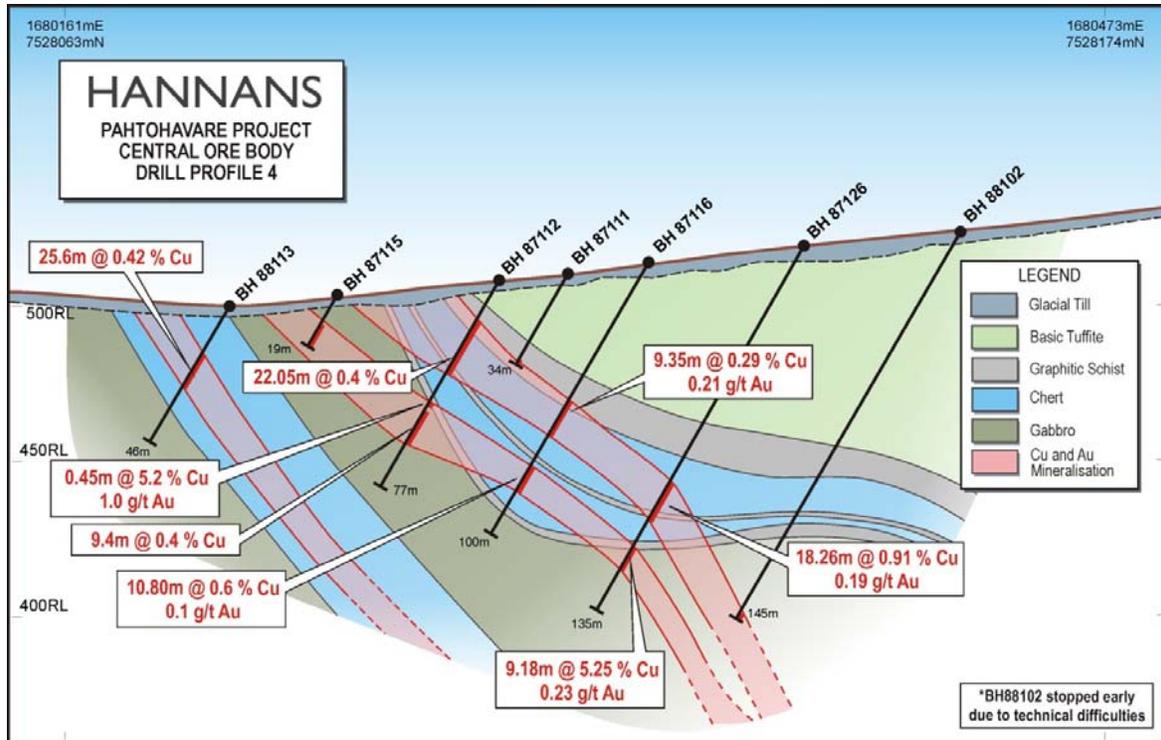


Figure 1 – Drill profile 4 at the Central orebody of Pahtohavare.

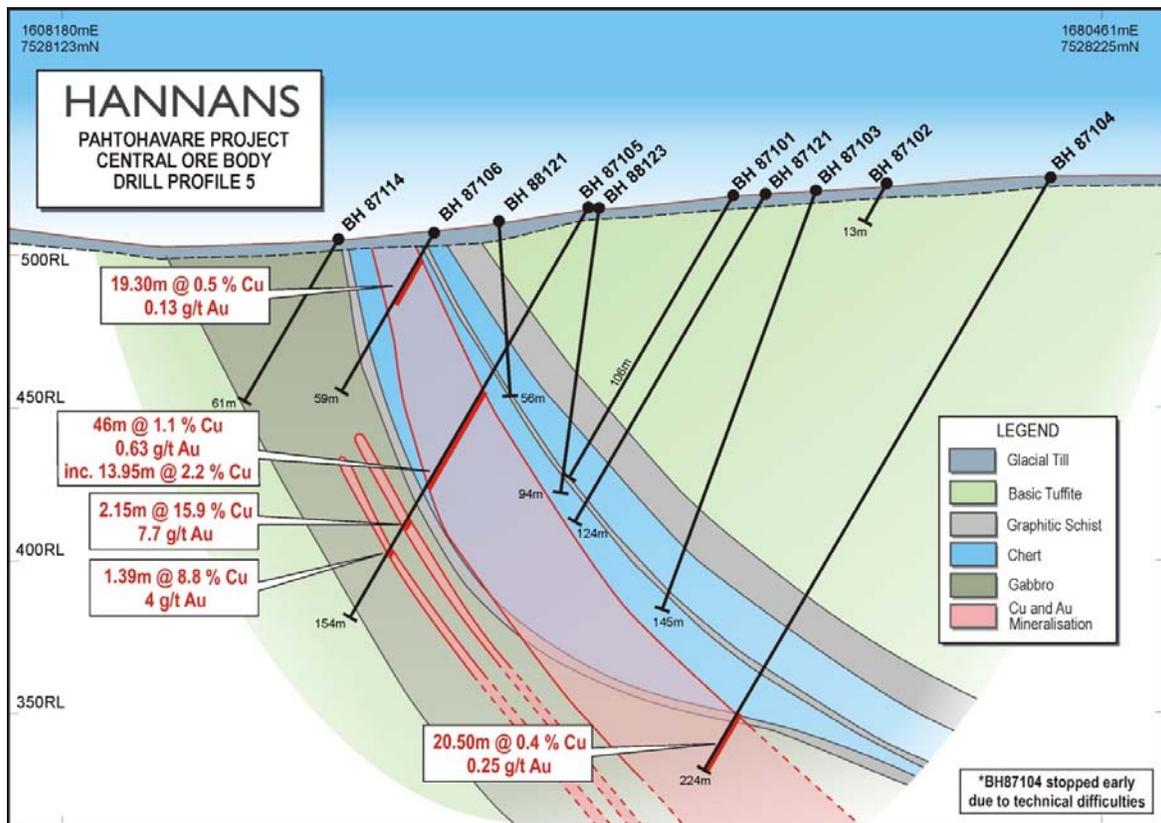


Figure 2 – Drill profile 5 at the Central orebody of Pahtohavare.

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Profile	Drillhole	Drillhole	Northing (RT 90)	Easting (RT90)	Dip	Azi	EOH Depth (m)	From (m)	To (m)	Interval	Cu %	Au g/t
4	PAH88113	Bh88113	7528069	1680163	-60	250	46.25	16.55	42.15	25.6	0.42	-
4	PAH87112	Bh87112	7528091	1680239	-60	250	76.85	11.55	33.6	22.05	0.41	-
								43.7	44.15	0.45	5.25	1
								51.25	60.65	9.4	0.39	-
4	PAH87116	Bh87116	7528113	1680282	-60	250	100.34	54.57	63.92	9.35	0.29	0.21
								80.22	91.02	10.8	0.6	0.1
4	PAH87126	Bh87126	7528131	1680330	-60	250	135.3	86.2	104.46	18.26	0.91	0.19
								115	124.18	9.18	5.25	0.23
	Inc.							121.33	122.5	1.17	37.2	1.8
5	PAH87106	Bh87106	7528138	1680205	-60	250	58.95	5.8	25.1	19.3	0.49	0.13
5	PAH87105	Bh87105	7528156	1680252	-60	250	154.34	67.4	113.4	46	1.1	0.63
	Inc.							85.79	99.74	13.95	2.2	0.9
								117.69	119.84	2.15	15.9	7.7
								128.4	129.79	1.39	8.8	4
5	PAH87104	Bh87104	7528206	1680392	-60	250	224.1	194.2	219.15	24.95	0.57	0.22

Table 1 – Significant intercepts from drill profiles 4 and 5 of the Central orebody at Pahtohavare. (Refer to Notes on Page 6 for details of assaying)

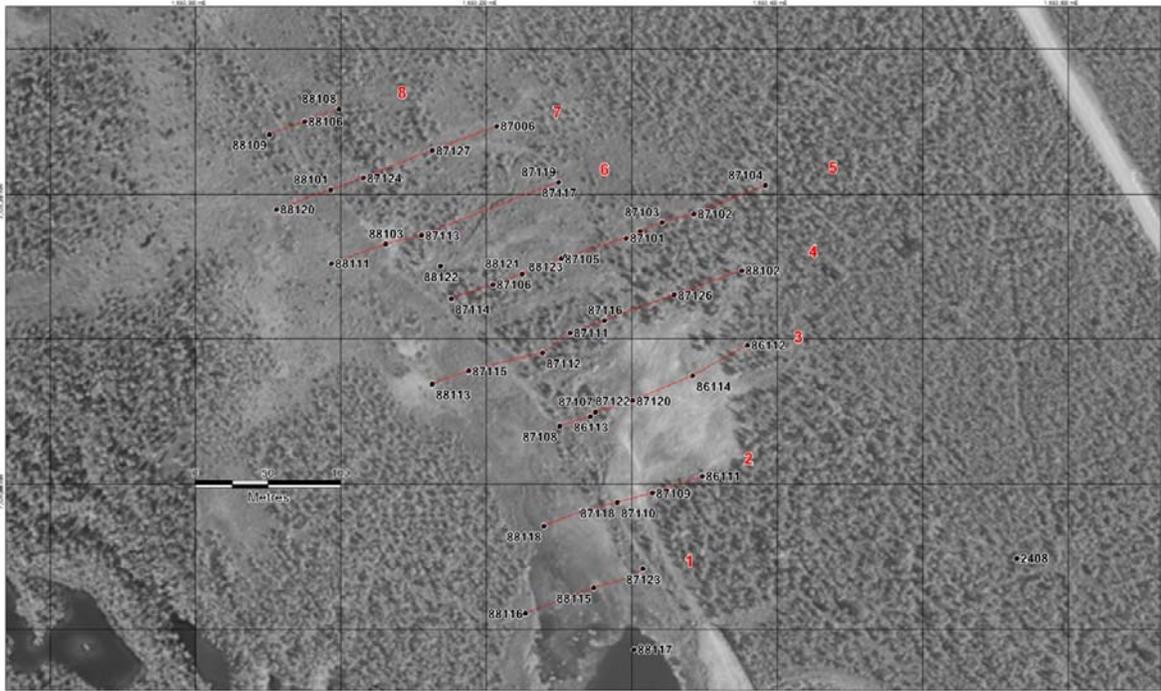


Figure 3 – Aerial photograph of the Central orebody at Pahtohavare with drill collars (black dots) and drill profiles (red lines).

## 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 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 (refer to Figure 4) namely;

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

The combined JORC Exploration Target<sup>2</sup> for Pahtohavare 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
<b>Total (Oxide + Fresh)</b>	<b>4.8-6.2</b>	<b>2.00-2.78</b>	<b>1.23-2.23</b>

Table 2 - JORC Exploration Target

### Historical Drill Program Overview

A total of 50 drill holes were completed at the Central orebody by previous explorers and was conducted over 8 drill profiles with a spacing of 50 metres between each (refer Figure 3).

The copper-gold mineralisation at the Central orebody is complex and controlled primarily by structure and secondly by lithology. The current strike extent is approximately 400 metres. Based on preliminary interpretation the mineralisation is open at depth.

The Central orebody hosts oxide and sulphide copper minerals; including malachite, azurite, tenorite, cuprite and chalcopyrite, with native gold also closely related to the copper mineralisation. Oxide mineralisation is dominant down to approximately 100 metres below surface, at which point a 'transition zone' starts becoming evident

Little is known about the mineralisation below approximately 110 metres depth at the Central ore body due to the lack of effective previous drilling below this depth.

<sup>2</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.

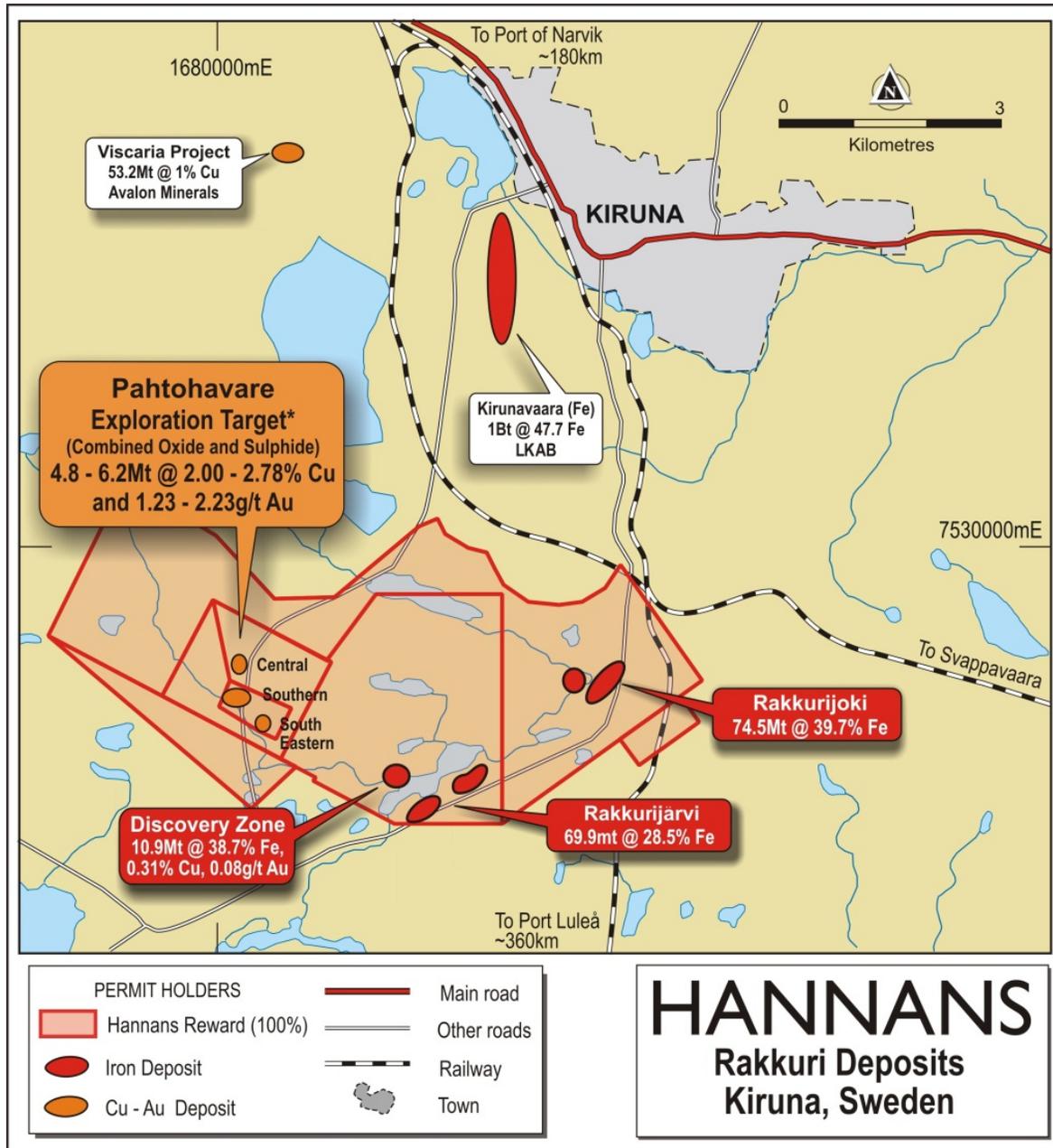


Figure 4– Pahtohavare and other Hannans Project locations in close proximity to the Kiruna Township.

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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.

**Notes****Survey:**

Historic drillhole collars from the Central orebody have been located in the field by Hannans and surveyed with an RTK GPS in the Swedish coordinate system RT 90 (2.5 Standard). Not all drillhole collars were located and these positions have been back-calculated through a grid transformation.

Drillhole elevation data has been collected for the holes found in the field via RTK GPS but elevation for the holes not found will be generated through a digital elevation model (DEM) derived from digital spot elevation data supplied by Metria as part of the process to convert the current JORC Exploration Target to a JORC Mineral Resource.

**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 76mm 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.

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