HANNANS REWARD
Exploring for Gold and Base Metals

ASX Announcement
30 April 2009

3rd Quarter Activities Report

Exploration Highlights

Jigalong Project, *located east of Newman in the Pilbara region of Western Australia – Manganese, Iron, Base Metals & Uranium*
- Metallurgical test work on bulk surface manganese samples in progress
- New surface manganese prospect identified – Dead Camel Hill
- New possible channel iron-style mesa identified – Mesa 607 – assay 60% Fe
- Additional field reconnaissance of channel iron-style mesa to continue next week

Forrestania Project, *located south of Southern Cross, in the Goldfields region of Western Australia – Nickel Sulphides & Gold*
- Approvals lodged to RC drill test geophysical targets – Stormbreaker
- Fixed loop geophysical survey completed – Beautiful Sunday West
- Auger soil sampling for gold in progress

Lake Johnston Project, *located west of Norseman, in the Goldfields region of Western Australia – Nickel Sulphides & Gold*
- Auger sampling on Lake Johnston testing gold targets to commence in May
- 32 gold nuggets found on surface of Lake Johnston
- RC drilling planned for July to test onshore gold targets
- New tenement application increases strike length of prospective nickel ground

Queen Victoria Rock Project, *located 30km south-west of Coolgardie in the Goldfields region of Western Australia – Nickel Sulphides*
- Vale farming-in to project
- Vale has reviewed Hannans existing data
- Field reconnaissance mapping has been completed
- Preparations made for completion of baseline environmental survey

Sunday Project, *located 10kms east of Leonora in the North-Eastern Goldfields region of Western Australia – Gold*
- AMF farming-in to project
- AMF to complete RC drill testing of gold targets in July

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Corporate Highlights

Placement
- General Meeting of shareholders called for 30 April 2009
- Shareholders asked to approval placement of up to 50 million shares
- Funds to be used for geophysics, drilling and a scoping study on three projects covering nickel (sulphides), manganese, iron (high grade) and gold

Shareholder Presentations
- Meetings were held in Perth, Sydney and Melbourne

Financial
- No debt & $1.5 million cash at bank
- Co-funded Government assistance for drilling programs applied for; outcomes anticipated late June
- Board defers 50% of Managing Director's salary and 100% of Non-executive Director's fees until completion of additional capital raisings

Takeover Bid
- A takeover bid was lodged for Hannans Reward Ltd on 19 March 2009
- Shareholders advised to TAKE NO ACTION – bid is unsolicited & opportunistic
- No bidders statement received
- Hannans has no synergies with the Bidder on any level

Board Changes
- Two non-executive directors resign

Hannans Reward Ltd (www.hannansreward.com) has developed a suite of prospective exploration projects within Australia covering iron, manganese, nickel and gold. Hannans' shareholders have excellent exposure to share price appreciation through exploration success.

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Exploration Activities

Jigalong

Manganese

Hannans Reward Ltd (ASX:HNR or Hannans) has engaged Mineral Engineering Technical Services Pty Ltd (METS) to assess the economic potential of the surface manganese identified within the Jigalong Project, located 110kms east of Newman, Western Australia (refer ASX announcement dated 7 April 2009).

During the quarter 30 bulk samples (10kg each) were collected from three different manganese prospects within the Jigalong Project from Hill 616, Zebra Bore and Marumaru.

The bulk samples have been submitted to AMMTEC Ltd for metallurgical analysis under the guidance and close supervision of metallurgists from METS. The metallurgical testwork will determine both the physical (lump to fines ratio) and chemical (final head grade and impurity levels) characteristics of the samples. The ultimate aim is to make an early stage assessment as to whether the surface manganese can be beneficiated into a product capable of being sold into the global manganese market. Results of the metallurgical test work are expected during the 4th Quarter.

During a recent field trip to Jigalong a new area of manganese prospectivity was identified and sampled. The prospect has been named Dead Camel Hill and is located east of Hill 616 on ELA52/2218. (See Figure below) The manganese enrichment at Dead Camel Hill occurs in outcropping Balfour Formation stratigraphy similar to that at Hill 616, Zebra Bore and Marumaru. The peak value obtained from recent rock chip samples at Dead Camel Hill was 18.2% Mn from JIG118.

Aerial photography was ordered from Landgate (www.dli.wa.gov.au) during the Quarter to assist in a regolith interpretation of the Jigalong Project. The regolith interpretation will assist in assessing both manganese and potential channel iron prospectivity throughout the Jigalong Project. As both mineralisation styles are associated with the regolith or surface environment, aerial photography used in conjunction with existing knowledge of mineralisation is an excellent and cost effective exploration targeting tool.

Continued…

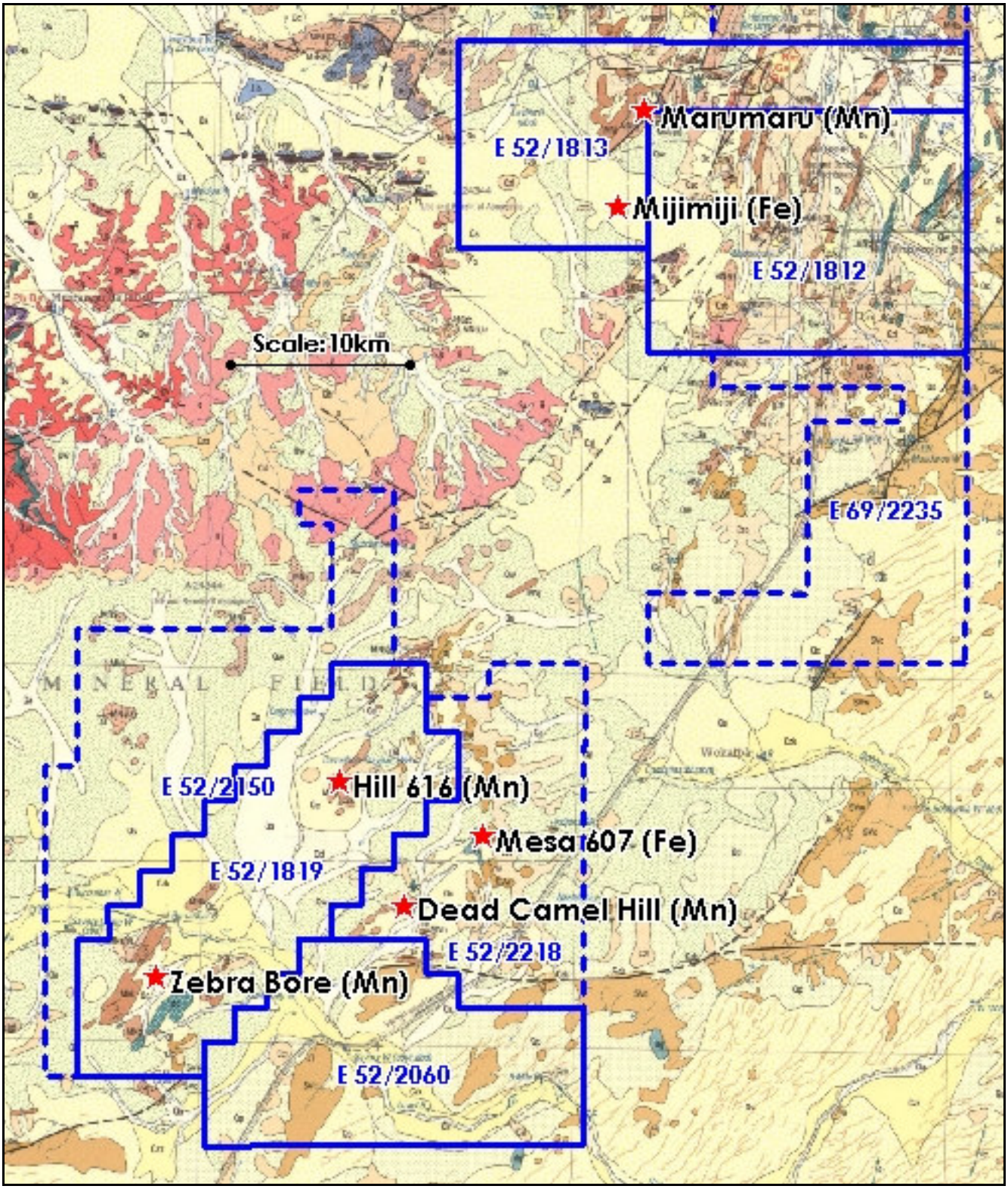


Figure 1: Iron and manganese prospects; Jigalong Project

Iron

A possible remnant channel iron deposit (CID) now exposed as a mesa was identified and sampled during a recent field trip to Jigalong. The iron prospect has been named Mesa 607 and is comprised of a heavy, goethite cemented pisolitic laterite. Only one sample was collected (JIG121) which returned encouraging results including 60.39% Fe, 2.85% SiO_2, 0.065% P, 1.81% Al_2O_3 and 7.95% LOI.

Additional field investigation will commence next week to determine the extent of the mineralised horizon at Mesa 607 and at other similar palaeo-surfaces identified through aerial photography. Subject to a completion of a successful field trip, assays from the anticipated additional rock chip samples are expected to be received during May.

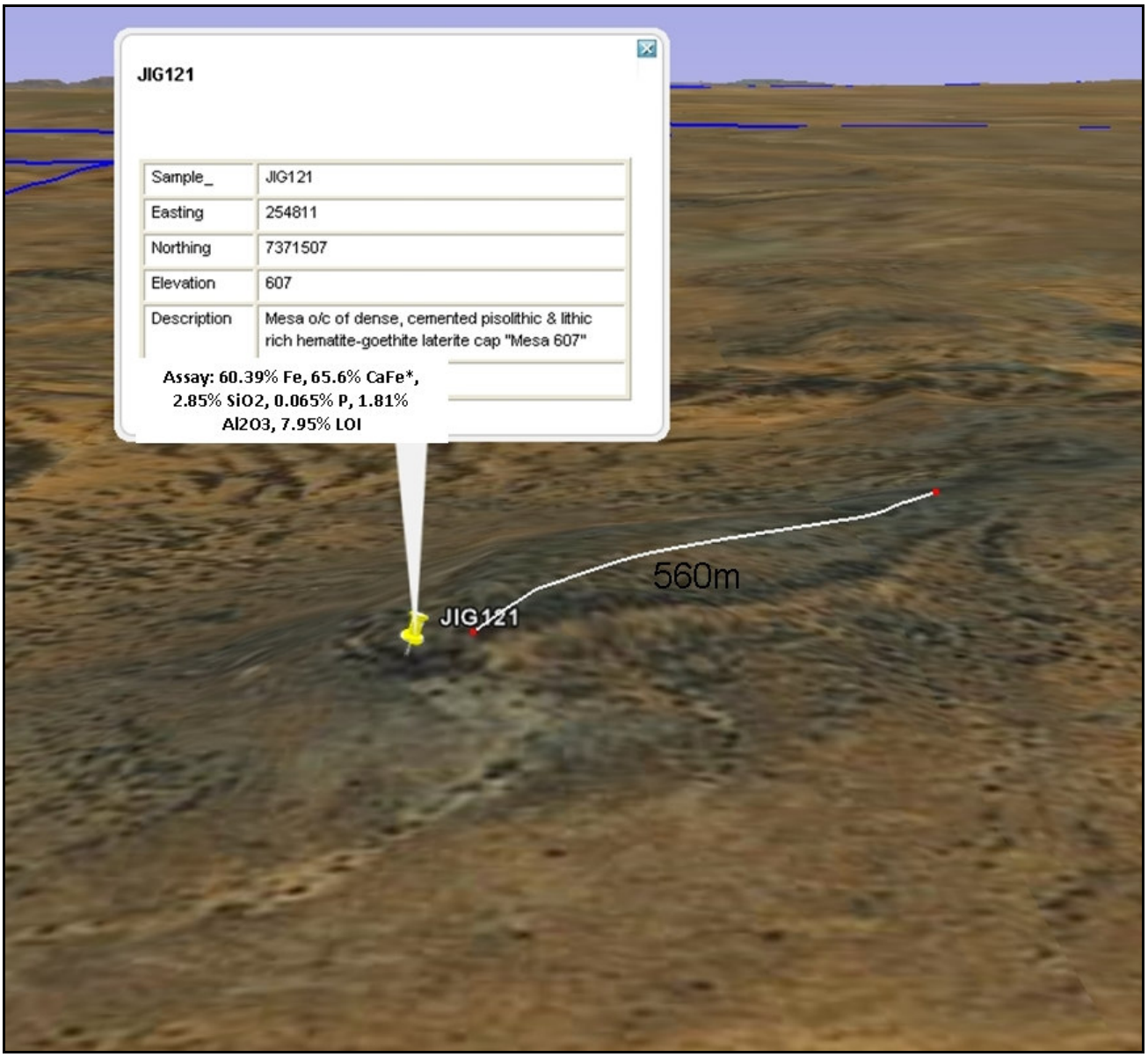


Figure 2: JIG 121 rock chip sample at Mesa 607; Jigalong Project

Figure 3: Mesa 607; Jigalong Project

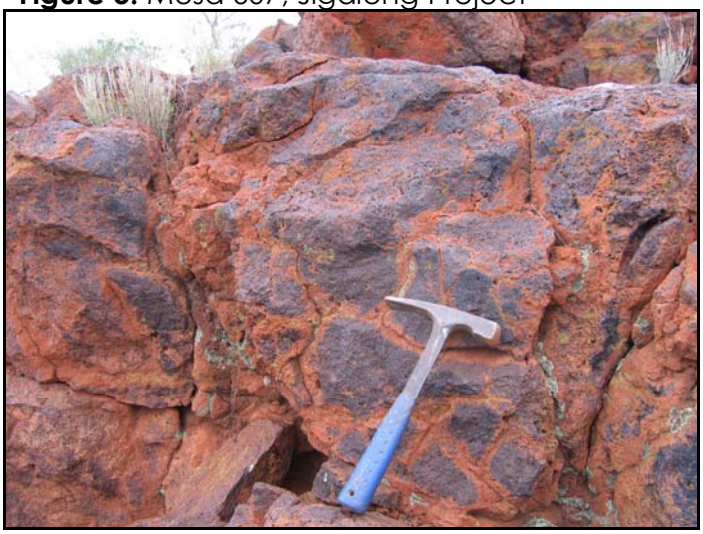


Figure 4: Mesa 607; goethite cemented pisolitic laterite; Jigalong Project

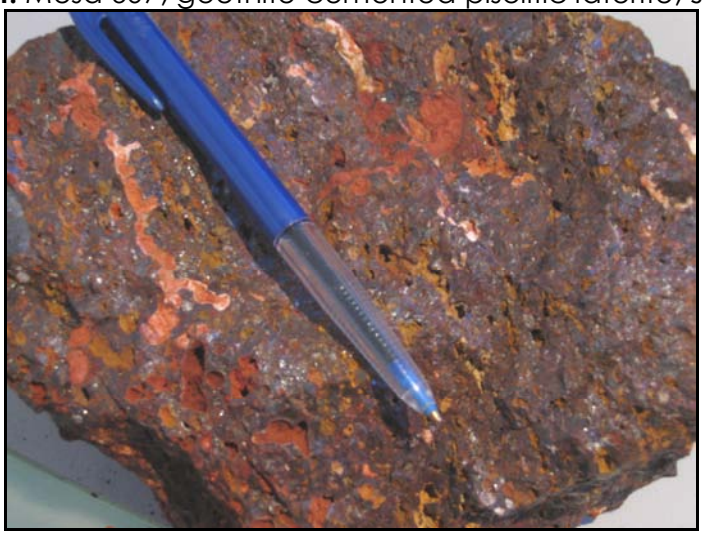


Figure 5: JIG121; goethite cemented pisolitic laterite; Jigalong Project

Forrestania Project

Nickel Sulphides

The Forrestania Project comprises tenure in joint venture (JV) with Cullen Resources Ltd (ASX: CUL) and wholly owned tenure.

During the Quarter a reverse circulation (RC) drill program testing electromagnetic (EM) anomalies was planned and submitted to the Department of Mines & Petroleum (DMP) for approval. The targets were generated by consulting firm Southern Geoscience Consultants following a comprehensive geophysical review completed in 2008. Three EM targets generated from the review are as follows:

- EM1 – initially identified by a moving-loop EM survey in 2006 and further defined / enhanced by a fixed-loop EM survey completed in 2008;

- EM2 – identified using moving-loop EM; a complex, multi-channel anomaly has been modelled and the proposed hole is considered "high risk"; despite the high risk nature of this EM target it is favourably located on confirmed ultramafic stratigraphy only 50m north of a previous low grade nickel intercept of 16m @ 0.3% Ni (FSTRC014); and

- EM3 – located east of North Ironcap; identified in 2005 by previous explorers during a fixed-loop EM survey; located within an Environmentally Sensitive Area (ESA), a clearing permit is required before drilling can commence; a clearing permit application was submitted to DMP in mid-February for assessment, was advertised in mid March 2009 and a decision is expected during May 2009.

A fixed-loop electromagnetic (EM) survey was conducted at Beautiful Sunday West (BSW) during the Quarter to test a coincident geochemical, magnetic and moving-loop EM anomaly. The BSW target was located in outcropping granite stratigraphy interpreted to be a potential flat-lying sill similar to the granite sills located at both the Flying Fox and Spotted Quoll deposits (owned by Western Areas Ltd) further south. The soil geochemical anomaly (960ppm nickel & 2920ppm copper) that helped identify the BSW target was generated through auger soil sampling completed in 2008. An auger soil sampling program to infill the geochemical anomaly is currently in progress. Unfortunately the fixed-loop EM survey failed to identify any significant bedrock conductors worthy of drill testing.

Gold

Shareholders are reminded that Hannans previously completed a full resource review of the North Ironcap gold mineralisation estimated at approximately 40,000 ounces (refer ASX release dated 22 April 2008). Preliminary assessment suggested that the mineralisation may prove economic using a low cost heap leach extraction method. During the next round of RC drilling at Forrestania attempts will be made to collect a bulk sample from the known gold mineralisation to enable metallurgical test work to begin.

Furthermore a 200m x 200m spaced auger soil sampling program (in excess of 1,000 samples to be collected) has commenced over nine tenements in the north-west corner of the Stormbreaker prospect. These tenements are considered prospective for gold mineralisation. Multiple interpreted fault structures are present within these tenements and will be covered by the auger soil sampling.

Lake Johnston Project

Gold

A substantive review of historic gold exploration at the Lake Johnston Project was initiated during the Quarter. A highly anomalous zone of gold mineralisation has been identified through historic workings, historic rock chip sampling, Hannans' rock chip sampling, Hannans' soil sampling and recent metal detecting.

The zone of mineralisation is currently 2.7km in length and is hosted by fresh, amphibolitised and highly strained mafics and felsic intrusives. The mineralisation trends at 320° along the regionally extensive Koolyanobbing-Lake Johnston Fault. The gold mineralisation at the Lake Johnston Project is in a classic shear-hosted, greenstone setting with no drilling having ever been completed. An 18-hole RC drill program has been planned to test the 2.7km length of gold anomalism and is scheduled to commence in July 2009.

During the Quarter prospector Mr. Corey Whisson sought permission to detect on the surface of Lake Johnston within Hannans' Project. A total of 32 nuggets were found mainly in quartz and ironstone and at very shallow depths. The orientation of the nugget locations supports a NW/SE mineralised trend (see Figure below). The nuggets were small (<3g) but importantly semi-crystalline in nature indicating close proximity to the source reef.

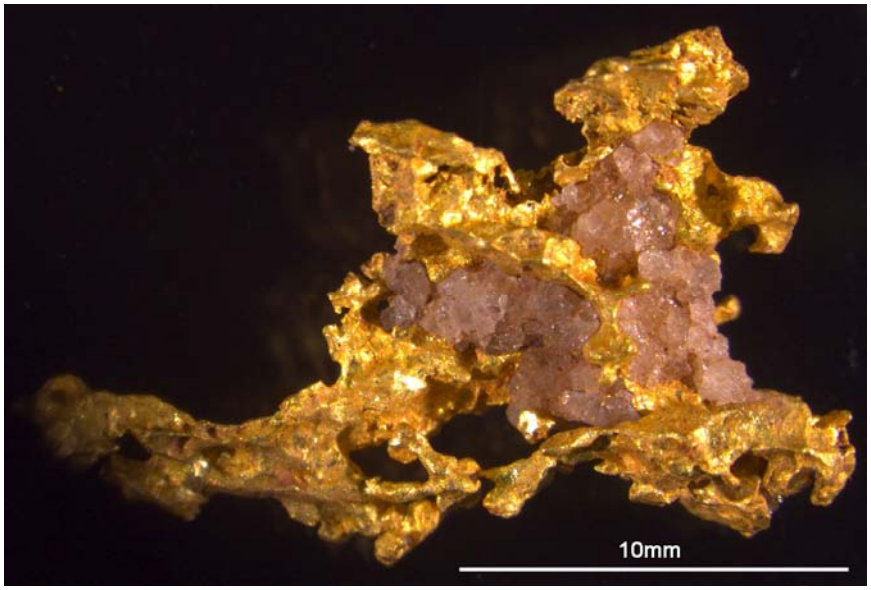


Figure 6: Semi-crystalline gold nugget with ironstone and quartz; Lake Johnston Project (Whisson 2009)

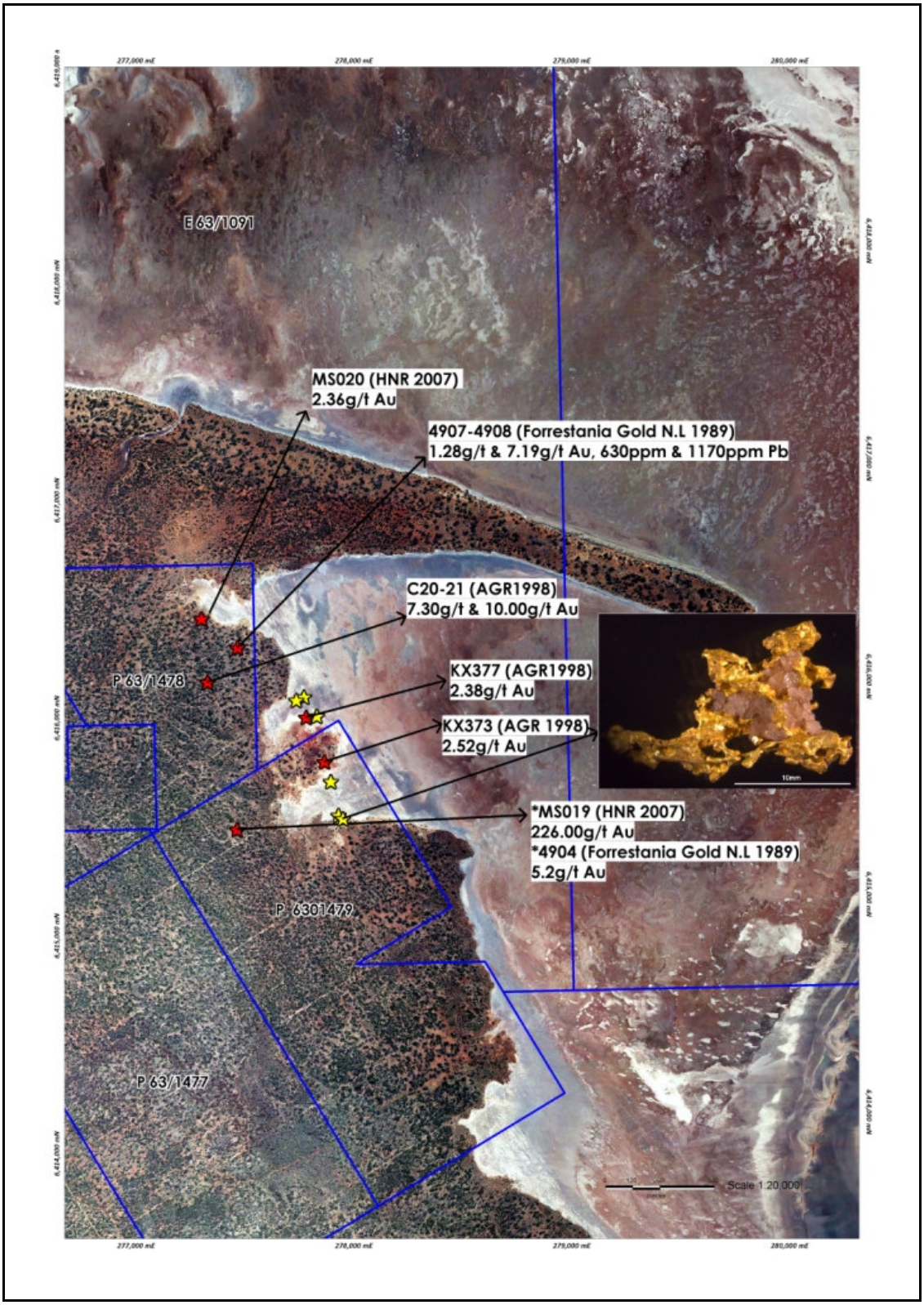


Figure 7: Rock chip (red stars) and gold nugget (yellow stars) occurrence; Lake Johnston Project

Copper-molybdenum-gold

The previously reported copper-molybdenum-gold target (refer ASX announcement dated 25 March 2009), also located at Lake Johnston, is considered to be a more conceptual target. A lake auger sampling program testing this concept will commence in May 2009. Approximately 1,000 samples will be collected with assays results anticipated to be received during June.

Nickel Sulphides

During the quarter the tenement position at the Lake Johnston Project was substantially increased after Hannans applied for a new tenement directly south of the existing tenure.

The new tenement (56km^2) increases the strike length of the ground prospective for nickel sulphide mineralisation to over 10km. The prospective ground is located approximately 20km south of the nickel sulphide mines of Maggie Hays and Emily Anne owned by mining giant Norilsk Nickel. Historical data review will continue next quarter along with a field assessment.

The granted tenure prospective for nickel sulphides at the Project is currently under review by geophysical consultants Southern Geoscience with results due in May 2009.

Queen Victoria Rocks

Nickel Sulphides

The following summary has been provided to Hannans by our joint venture partner Vale.

"During the quarter Vale completed the following exploration activities:

- Hannans' existing data was reviewed and is currently being validated by Vale. The data is in the process of being imported into Vale's acQuire database system.
- A review of the historical work has completed around the Spargos area and northern tenements. This review will be incorporated into the data already received from Hannans.
- Field reconnaissance mapping has been completed along with track logging for future rehabilitation documentation.
- Contractors have been approached to conduct an orthophoto survey and subsequently complete a baseline environmental survey in order to obtain the necessary environment benchmarks needed prior to starting exploration.

The following exploration activities are planned for the next quarter:

- An in-house review of the historical geophysical data to determine further infill geophysics or potential drill targets.
- An environmental baseline study to be completed prior to commencing exploration.

- Final compilation of all historical data, validated and within Vale's acQuire database system.

It is envisaged that Vale will complete RC drilling at the Spargos Prospect during July/August 2009, and depending on the results of the geophysical review, further ground geophysics may be completed prior to drilling. At this stage field reconnaissance and mapping will be completed at The Prince of Wales Prospect and Northern tenement area during the middle of the year."

Sunday Project

Gold

Joint venture partner gold focused explorer Australian Mineral Fields Ltd (www.australianmf.com) has now received all relevant approvals required to complete RC testing of gold targets at the Mt Stewart prospect within the Sunday Project. Drilling is scheduled to commence in July 2009.

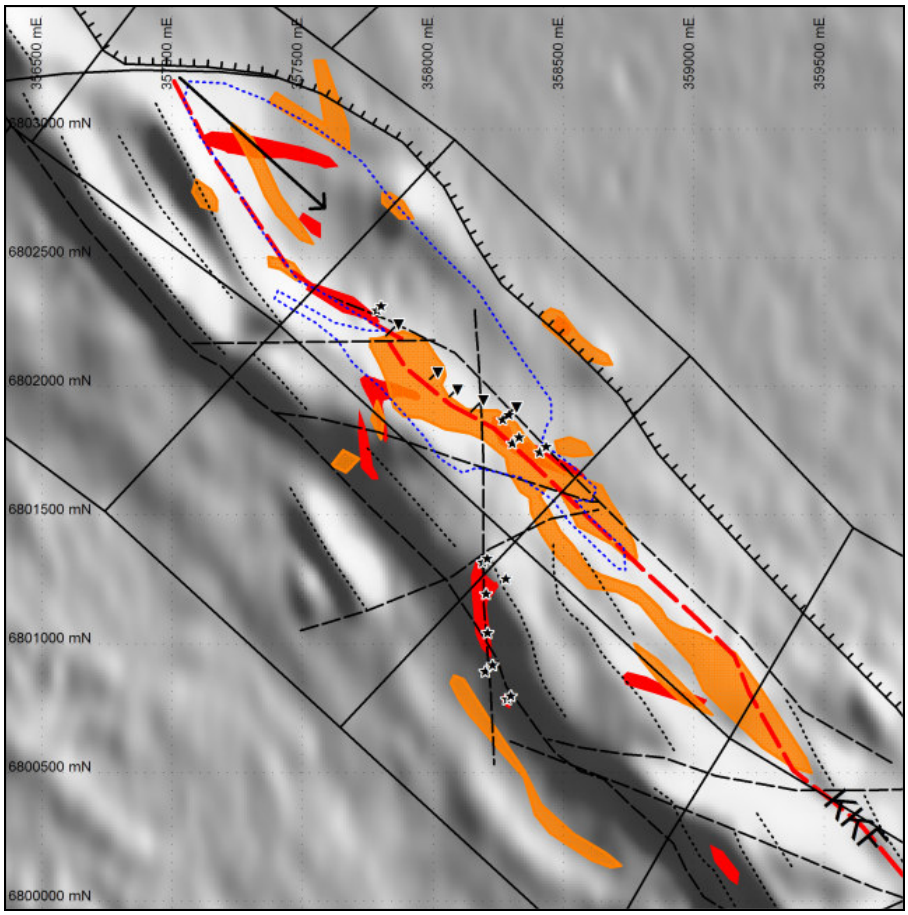


Figure 8: Planned RC drilling at Mt Stewart; image courtesy of Australian Mineral Fields Ltd. Red zones: 500ppb Au in drill holes contour, Orange zones: 50ppm As contour, Inverted diamonds: planned RC drill holes, Stars: Hannans Reward drill holes

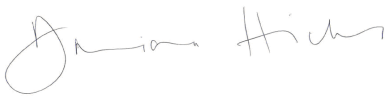
Corporate Activities

Other than the matters referred to on page two of this report, the audited Financial Report for the Half Year ended 31 December 2008 was lodged with ASX on 4 March 2009.

I would like to take this opportunity to thank Hannans' management team and consultants for their support and continued high quality contributions during the recent Quarter.

If you have any questions in relation to this announcement please do not hesitate to contact me on +61 8 9324 3388.

Yours sincerely,



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Managing Director

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Board of Directors

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Richard Scallan
Managing Director
Damian Hicks
Non-Executive Directors
William Hicks

The information in this document that related to exploration results is based on information compiled by Mrs Amanda Arrowsmith, Exploration Manager, Hannans Reward Ltd who is a Member of the Australian Institute of Geoscientists. Mrs Arrowsmith is a full-time employee of Hannans Reward Ltd. Mrs Arrowsmith 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". Mrs Arrowsmith consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.