



HANNANS REWARD  
Exploring for Gold and Base Metals

ASX Announcement / Media Release  
30 April 2010

**3<sup>rd</sup> Quarter Activities Report**

**Fast Facts**

ASX Code: HNR

**Capital Structure**

Shares on issue: 131.1m

Options on issue: 6m (ex 20c – 80c)

Market cap: \$30m

Cash & Equities: \$25 ½ m

**Financial Position**

Cash on hand: \$5m (March '10)

Value of ASX Listed

Equity Positions: \$20 ½ m

**Board of Directors**

Richard Scallan Chairman

Damian Hicks Managing Director

William Hicks Non-Executive  
Director

Jonathan Murray Non-Executive  
Director

**Major Shareholdings**

Atlas Iron Ltd 8.13 m FPO

**Projects (Western Australia)**

Forrestania Nickel & Gold

QVR Nickel

Lake Johnston Nickel & Gold

Jigalong Manganese

**Forrestania Project – Nickel & Gold**

- Government approvals process delays RC drilling (originally scheduled to commence mid March 2010) – refer chronology on page 3
- All required approvals now received, drill pads and access pads cleared, drilling scheduled to commence early May
- Final processing & interpretation of helicopter borne VTEM survey produces additional electromagnetic (EM) anomalies at Stormbreaker\*, Skeleton Rocks and Lucy Rocks Prospects
- Review of historical ground geophysical surveys identifies 5 new EM anomalies located within Stormbreaker Prospect
- Ground EM surveying of these 5 new EM anomalies produces 8 new RC drill targets
- Multiple tenement applications made
- Field reconnaissance of newly applied for tenements confirms the presence of prospective ultramafic stratigraphy
- Anomalous rock chip returns values including: 1055ppm Ni, 529ppm Cu, 1360ppm Cr and 35ppb Pt

**Lake Johnston Project**

- Review of historical ground geophysical surveys identifies 3 new EM anomalies
- Follow-up ground geophysical surveys to be completed during May

**Queen Victoria Rocks Project**

- Hannans/Vale joint venture comes to an end
- Hannans retains 100% of project and will review data before planning next phase of exploration

**Jigalong Project**

- 370 surface samples collected

**Sunday Project**

- Results pending from three diamond drill holes completed by joint venture partner

**Comment by Managing Director**

Dear Shareholder

During the March Quarter we experienced cause for both optimism and frustration.

We're optimistic that our systematic exploration activities will ultimately reward shareholders through a significant minerals discovery. At Forrestania in particular the excellent work being completed by our Exploration Team continues to generate multiple well located nickel sulphide targets for testing with RC drilling. We're pleased to advise that the drilling is due to start in early May.

We're frustrated, as are you, with the extended delays experienced in obtaining approvals to commence the next phase of drilling. Be assured that we have done everything in our control to obtain these approvals as fast as possible. On review it came down to a combination of insufficient resources within the relevant government departments and the stringent environmental obligations associated with exploring at Forrestania.

We will continue to work with the government to assist them in expediting our drilling approvals (particularly from an environmental perspective) and we anticipate that whilst due process will always be followed, shorter lead times for drilling approvals at Forrestania are likely to occur in the future.

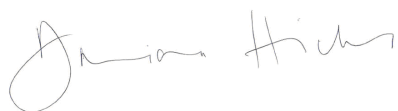
The uncertainty of knowing exactly when approvals will be received does lead to scheduling difficulties for our service providers (including drilling companies). In that regard we will continue to engage the highest quality services provider to ensure the best quality data (including drill samples) is obtained whenever we are in the field.

We would like to believe that this Quarter all the hard work and patience will be rewarded with encouraging exploration drill results at the Forrestania Project. Please note that the coming drilling is only one phase of many that we expect to take place at Forrestania throughout 2010.

In relation to Hannans' portfolio of projects, a broad range of exploration and corporate initiatives continued with a view to creating value for shareholders. Hannans is well funded with \$5 million cash at bank and approximately \$20 million in liquid Atlas Iron Ltd shares.

If you have any questions you are welcome to contact me on +61 8 9324 3388, [damianh@hannansreward.com](mailto:damianh@hannansreward.com) or call in to the office.

Regards,



Damian Hicks  
Managing Director

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## Summary of Activities

### Forrestania Project – Nickel and Gold

Multiple nickel sulphide targets were generated during the Quarter through a combination of geophysics (VTEM, MLEM and FLEM), geological re-interpretation and re-processing and interpretation of historical geochemistry. 19 reverse circulation (RC) drill holes are to be completed at the Stormbreaker Prospect during the June Quarter for a total of >4000m; drilling is scheduled to commence in early May.

In relation to the delay in commencing the next phase of drilling the following is a chronology setting out events during the Quarter:

- Applications to drill the above holes were lodged with the Department of Mines & Petroleum (DMP) on 3<sup>rd</sup> February 2010
- Approval to drill was received from the DMP on 9<sup>th</sup> April 2010, SUBJECT to a condition that a qualified botanist supervised the clearing of drill pads and access tracks.
- A qualified botanist was urgently engaged and the required survey was completed in the field in the presence of Hannans' Exploration Manager.
- 8 of the 10 drill pads were then cleared by the loader in preparation for drilling.
- The remaining 2 drill pads require Department of Environment & Conservation (DEC) approval to remove Priority 3 and Priority 4 flora species.
- DEC approval to remove the priority flora on the remaining two drill pads is expected to be received during May.
- On 20<sup>th</sup> April 2010, Hannans was advised by its drilling contractor that it had been delayed at its then current contract and expected to arrive at site in early May.

On the generative side, a second series of nickel sulphide drill targets at the Stormbreaker Prospect were identified through additional ground geophysical surveys completed during the Quarter.

- 8 new EM drill targets have been generated.
- Flora surveys of the drill pads and access tracks were completed on 23<sup>rd</sup> April 2010.
- DEC approval to remove priority flora will be required prior to the clearing of access tracks and drill pads with an application being submitted early May.
- Approvals for drilling the 8 new EM targets will be lodged as soon as practicable.

A reconnaissance field trip completed late in March identified several areas of outcropping ultramafic stratigraphy located in newly applied for tenements.

- 12 rock chip samples were collected throughout the Project.
- Rock chip sample HR1831 has returned anomalous Ni, Cu, Cr and Pt values. This sample was located from a soil anomaly generated from historical data. The sample is also located on a subtle linear magnetic feature interpreted to be an ultramafic.

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- Rock chip sample HR1831 (ironstone float) returned values including: 1055ppm Ni, 529ppm Cu, 1360ppm Cr and 35ppb Pt.<sup>1</sup>
  - A ground based EM survey has now been designed to cover the anomalous area.

A third phase of ground EM surveying is scheduled to commence in early May 2010 covering additional historical geochemical anomalies.

Reconnaissance geochemical surveys have also been designed at both Skeleton Rocks and Lucy Rocks after several EM anomalies were identified through the helicopter borne VTEM survey completed during the December Quarter; sampling is scheduled to begin in early May 2010.

\*The Stormbreaker Prospect comprises tenure owned 100% by Hannans and ground in joint venture with Cullen Resources Ltd (80% owned by Hannans with Cullen free-carried at 20% through to a decision to mine).

#### Lake Johnston Project – Nickel and Gold

A review of the available historical data was undertaken during the Quarter. Geophysical and geological data has highlighted several areas for follow up including two historical EM anomalies; a ground EM survey designed to refine historical EM anomalies has therefore been scheduled to commence in May 2010.

#### Queen Victoria Rocks Project – Nickel and Gold

Hannans resumed 100% management control and funding of the project after the joint venture with Vale came to an end. A review of the work completed by Vale will commence during the current Quarter prior to planning future nickel sulphide and gold exploration.

#### Jigalong Project – Gold, Base Metals and Manganese

In preparation for the new field season a reconnaissance geochemical sampling comprising 370 samples was recently completed. The sampling targets two discrete uranium radiometric anomalies associated with calcrete development located east of Hill 616 in the south of the Project. In addition, five conceptual gold targets also located in the south of the Jigalong Project have been sampled. Results of the geochemical sampling are expected in May 2010.

Hannans received a number of expressions of interest in the Jigalong manganese rights during the Quarter. The intention remains to transact on the manganese rights as soon as practicable.

#### Sunday Project

Triton Gold Ltd are managing and funding exploration activities at the Sunday Project. A number of diamond drill holes were drilled however at the time of writing the results have

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<sup>1</sup> Analysed at ALS laboratories in Malaga using 4-acid digest/ICPMS

not been released by Triton. A number of tenements are the Sunday Project was surrendered by Hannans during the Quarter. Hannans will investigate opportunities to sell its interest in the Sunday Project to focus resources on the balance of its portfolio.

### Corporate

During the Quarter 3 million options were exercised at a price of 20 cents with 1.5 million of those options being exercised by the Managing Director. In order to fund the exercise of the options the Board approved the provision of \$300,000 in loan funds to the Managing Director, such loan to be repaid within 5 years, with interest being charged at a rate of 6% per annum.

Subsequent to the end of Quarter an ASX announcement was made by Atlas Iron Ltd that it intended to complete a capital raising. Hannans owns 8.13m fully paid shares in Atlas.

### **Hannans Reward Limited Summary**

Hannans Reward Ltd has developed a suite of prospective exploration projects within Australia covering nickel, gold and manganese. The Company's flagship exploration project is the Forrestania nickel and gold project located in the world class Forrestania nickel belt. Hannans has joint ventures with St Barbara Ltd and Triton Gold Ltd. Hannans is the ninth largest shareholder of Atlas Iron Ltd. Hannans' shareholders are exposed to share price appreciation through exploration success at the following projects:

- Forrestania – nickel and gold project 7km north of Western Area's Flying Fox nickel mine
- Lake Johnston – nickel and gold project located 25km south east of Norilsk's Maggie Hays nickel mine and 100kms west of Norseman
- Jigalong – gold, base metals and manganese project located 150km east of Newman, WA
- Queen Victoria Rocks - nickel and gold project located 30km south-west of Coolgardie, WA
- Sunday – gold joint venture with Triton Gold Ltd, 10kms east of Leonora, WA

### **Competent Persons Statement**

The information in this document that relates 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 Mining. 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.

**For further information please contact:**

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