



HANNANS REWARD

ASX ANNOUNCEMENT & MEDIA RELEASE

Hannans Reward | 1st Quarter Activities Report 2011/2012

1st Quarter Activities Report

Dear Shareholders

Hannans Reward

It's going to be an interesting Quarter for the Exploration Team as they start to receive results from their drilling on the Company's nickel, gold and manganese projects. Recently the Team completed 189 reverse circulation (RC) holes testing manganese targets at the Jigalong Project, 100km east of Newman in the Pilbara. We're now mid-way through a diamond drilling program to collect core samples to assess the metallurgical properties of the manganese mineralisation that has been encountered. The first batch of RC results shouldn't be too far away. In the next few days we will also start drill testing the highly promising gold targets at the Lake Johnston Project, west of Norseman in the Goldfields region of Western Australia. One or two discrete nickel targets will also be drill tested during this program. We have all been waiting patiently for the approvals process to be completed, the weather to clear and the drilling to start and now we're on the ground ready to 'go'. The aim of this drill program is to intersect sufficient high grade gold to suggest there is a chance of the project hosting an economic gold deposit. Drilling should continue at Lake Johnston for around 4-6 weeks before we return to the Forrestania Project to drill test hematite iron targets. The nickel results from the last drill campaign at Forrestania have been received and we continue to have faith in the exploration data that suggests in time this project will deliver for shareholders. On completion of these multiple drill programs the Board will consider the advice received from the Exploration Team with a view to focusing and refining exploration activities during 2012.

Hannans Investment Management

Since the end of the Quarter, Hannans Investment Management (HIM) have sold 900,000 shares in Atlas Iron Ltd (AGO); we currently retain 5.3 million AGO which is valued at approximately \$16.6 million. The separation and in-specie distribution of the Jigalong Project to Hannans shareholders is continuing as planned. We aim to provide shareholders with the opportunity to vote on the proposed transaction at the next general meeting and are currently waiting on approval from the ASIC to implement the transaction without the need for lodging a Prospectus. We have also sought ASIC's permission to hold the Hannans AGM in December 2011 to enable both the compliance matters and the Jigalong Project 'spin-out' to be addressed at the same time. A Notice of Meeting should be mailed to all shareholders in the next few weeks that will contain the detail for the proposed transaction. HIM also recently entered into an underwriting agreement with ASX listed Scandinavian Resources Ltd to the value of \$4.5 million. If the full amount is called, HIM will hold approximately 18% of Scandinavian Resources Ltd and it is my belief that in time this strategic holding will be worth more to Hannans than the shareholding in AGO.

Corporate Board Services

Congratulations also to the Corporate Board Services (CBS) Team who have recently signed an agreement to provide corporate management and transaction services to the Scandinavian Resources group of companies.

Ground Floor, 28 Ord Street,
West Perth, Western Australia
Postal Address: PO Box 1227,
West Perth, Western Australia 6872
Facebook: Hannans Reward

T: +61 8 9324 3388
F: +61 8 9324 3366
E: admin@hannansreward.com
W: www.hannansreward.com
Twitter: [hannansreward](https://twitter.com/hannansreward)

Fast Facts

ASX Code: HNR

Capital Structure

Shares on issue: 131.6m

Options on issue: 5m (ex 20c-\$1)

Market cap: \$18m (at 13.5c)

Board of Directors

Chairman:

Richard Scallan

Managing Director:

Damian Hicks

Non-Executive Director:

William Hicks

Non-Executive Director:

Jonathan Murray

Projects (Western Australia)

Forrestania

Nickel & Gold

QVR

Nickel

Lake Johnston

Nickel & Gold

Jigalong

Manganese

EXPLORATION

Summary and Highlights

By Don Huntly, Exploration Manager

Field based exploration activities during the quarter have been undertaken at the Forrestania, Queen Victoria Rocks, Lake Johnston and Jigalong projects; and have included aircore drilling, surface TEM surveys, auger sampling, mapping and rock chip sampling.

Hannans Reward exploration activities are aimed at identifying an economic mineral deposit (i.e. stand alone operation) through the application of rigorous exploration processes while using a multidisciplinary approach.

FORRESTANIA PROJECT

- § RC percussion drilling was completed at Stormbreaker West, a total of 10 holes were completed for 2,346 metres. All assays have been received with no significant gold or nickel results returned.
- § RC percussion drilling was completed at Lucy Rocks prospect area; a total of 14 holes were completed for 1,021 metres. All assays have been received with no significant gold or nickel assays returned.
- § Auger sampling was completed at Stormbreaker North-West testing a regional Cu in soil anomaly. A total of 834 samples were collected, all assays have been received and will be processed during the coming quarter.
- § Auger sampling commenced at the Skeleton Rocks Prospect targeting both gold and base metal mineralisation. A total of 975 samples were collected, sampling will be completed during the coming quarter.
- § Data compilation has been completed at the Skeleton Rocks Prospect area; the exercise has outlined Ni plus Cu anomalies from historical RAB drilling, anomalous Au intersections in regolith drilling, and a number of Au in soil anomalies.

LAKE JOHNSTON PROJECT

- § Approval has been received from the DEC for the Mt Gordon Conservation Management Plan.
- § POW application approval has been received for the Mt Gordon RC percussion drilling program targeting gold mineralisation.
- § Surface TEM was completed at Maggie Hayes South and Mt Gordon; no significant anomalies were generated from the survey

QUEEN VICTORIA ROCKS PROJECT

- § An airborne magnetic survey was completed over the Spargos prospect area, a total of 850 line km's were completed.

JIGALONG PROJECT

- § RC percussion drilling has been completed at the Hill 616 and Dead Camel prospects. A total of 189 holes were completed for 5,768 metres. Samples have been submitted to the laboratory for XRF analysis; assays are pending with the first batch of assays expected in early November.
- § Surface mapping and reconnaissance sampling continued within the project area with the objective of identifying additional manganese drill targets.
- § Petrology samples have been returned for the Mundaroo Zinc prospect, sphalerite (Zinc sulphide) and Galena (Lead sulphide) have been identified in 3 samples, and one sample has been documented as a Zinc-Lead Gossan. The sulphides are hosted within a carbonate altered, quartz rich argillite rock.

FORRESTANIA PROJECT

Hannans tenement position is situated immediately along strike, to the north of, and also to the west of the Western Areas NL nickel sulphide deposits covering what is considered to be the most prospective stratigraphy proximal to known Ni sulphide deposits in the Forrestania Greenstone belt (Figure 1).

The stratigraphy within the Hannans tenement package is also considered prospective for iron deposits, which has now been confirmed by recent exploration activities.

The following table includes a summary of exploration activities completed for the Forrestania Project.

ACTIVITY	FORRESTANIA SUMMARY
RC Percussion Drilling	24 holes for 3,367 metres
Geochemical Sampling	1,809 auger samples

STORMBREAKER PROSPECT AREA

Exploration activities for the quarter included RC percussion drilling and auger sampling.

The auger sampling was completed at Stormbreaker North-West, a total of 834 samples were collected during the quarter (Figure 1). Assays have been received for the program. The data will be processed and interpreted during the coming quarter.

RC percussion drilling was completed at Stormbreaker West with 10 holes completed for 2,346 metres (Figure 2). The drilling has intersected granitic lithologies in holes FSRC056, FSRC057, FSRC058 and FSRC059 and predominantly mafic lithologies in the remaining holes.

Minor sulphide intervals were intersected in drill hole FSRC051 which appears to explain the source of the surface TEM anomaly. All assays have been received with no significant gold or nickel assays returned from the drilling.

The POW application for the first phase of iron drilling at Stormbreaker has been approved. It is anticipated that drilling will commence during December 2011 (Figure 3).

SKELETON ROCKS PROSPECT AREA

Auger sampling commenced within the prospect area targeting gold and base metals mineralisation, a total of 957 samples were collected. Sampling will be completed during the coming quarter.

Data compilation has been completed for the Skeleton Rocks Prospect area. The exercise has confirmed the presence of komatiitic lithologies in the region as well as significant gold mineralisation in a number of locations.

Komatiitic lithologies have been identified within the northern portion of the prospect area. Historical drilling intersected nickel values up to 0.65% Ni and 435 ppm Cu in shallow RAB holes (Figure 4).

Surface soil and auger sampling carried out by previous explorers has identified a number of Au anomalies, the maximum Au value returned within the northern region was 86 ppb. The sampling remains very wide spaced (400 x100 metres) with a number of anomalies remaining open along strike.

LUCY ROCKS PROSPECT AREA

A total of 14 RC percussion holes were completed for a total of 1,021 metres within the Lucy Rocks southern prospect area, the holes were targeting greenstone lithologies (Figure 1). The drilling intersected magnetite bearing granodiorite lithologies in all holes with the exception of one hole which intersected mafic lithologies. All assays have been received with the no significant Au or Ni assays returned.

ONGOING EXPLORATION ACTIVITIES

- § RC percussion drilling expected to commence during December at Stormbreaker targeting hematite rich iron mineralisation.
- § Current auger sampling at Skeleton Rocks to be completed during November 2011.
- § Plan and implement additional surface geochemical sampling within the Skeleton Rocks prospect area.

FORRESTANIA PROJECT (cont.)

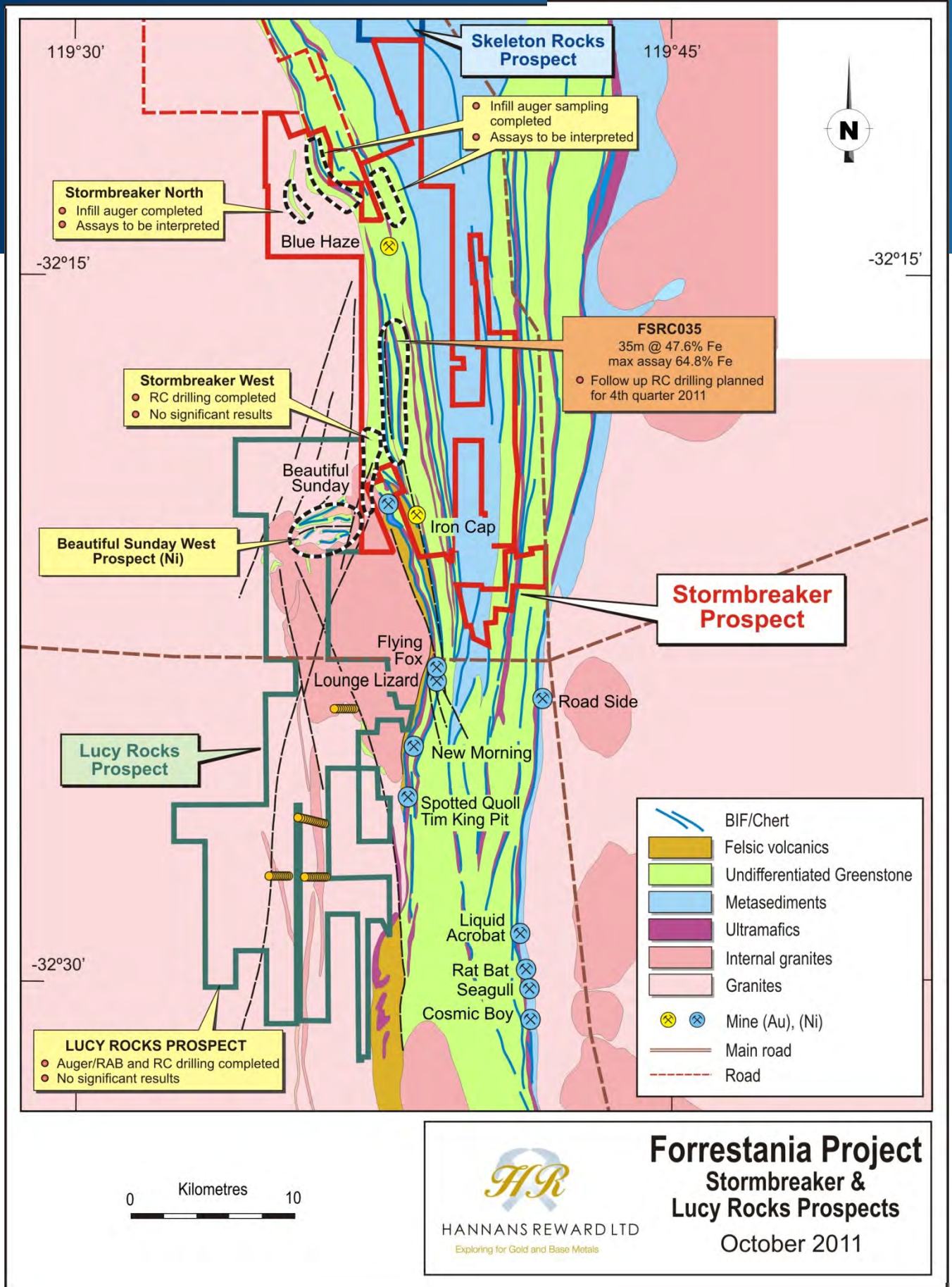


Figure 1. Leasing diagram showing the Stormbreaker and Lucy Rocks prospect areas.

FORRESTANIA PROJECT (cont.)

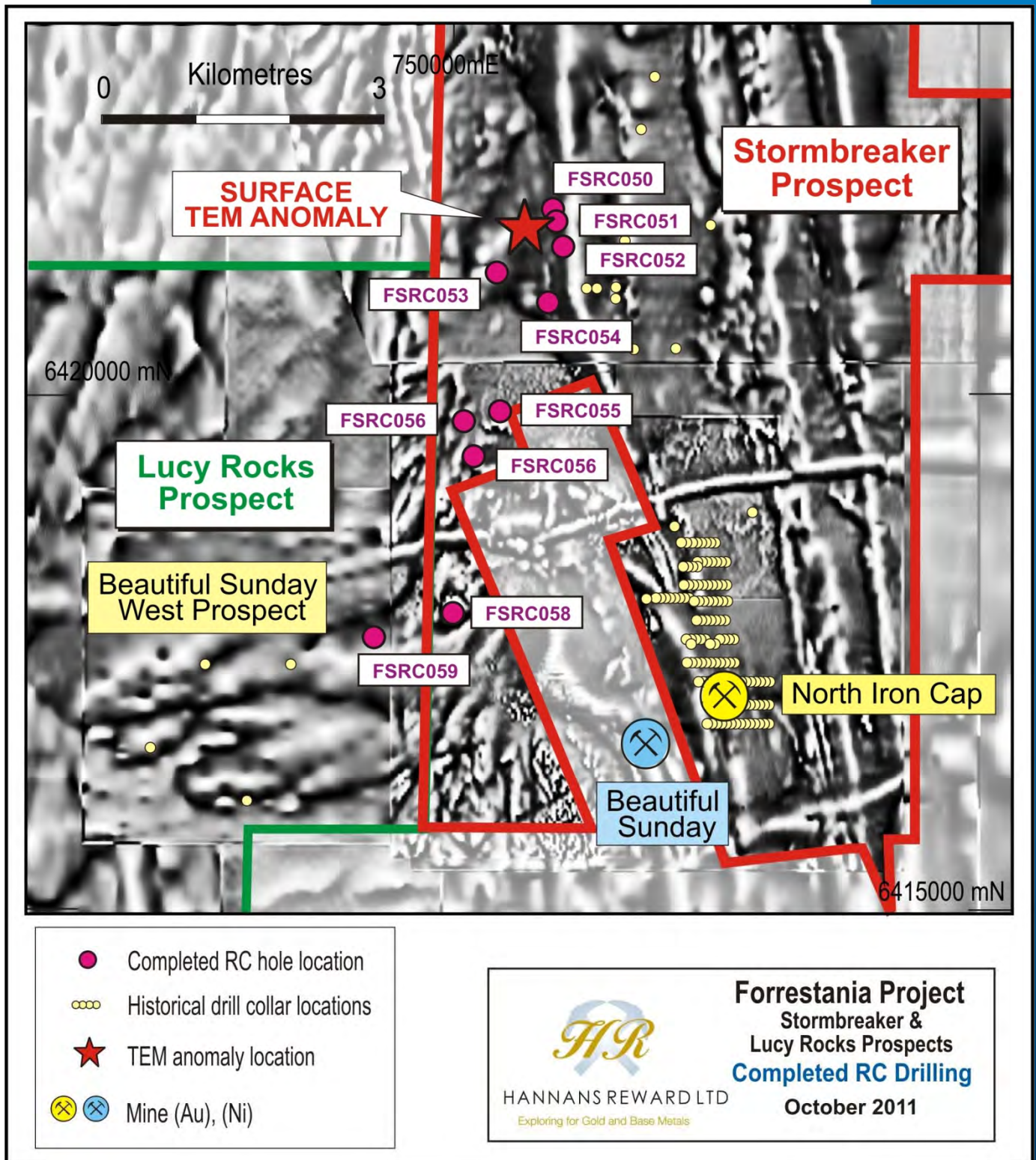


Figure 2. Stormbreaker West showing proposed RC drill collars and surface TEM anomaly

FORRESTANIA PROJECT (cont.)

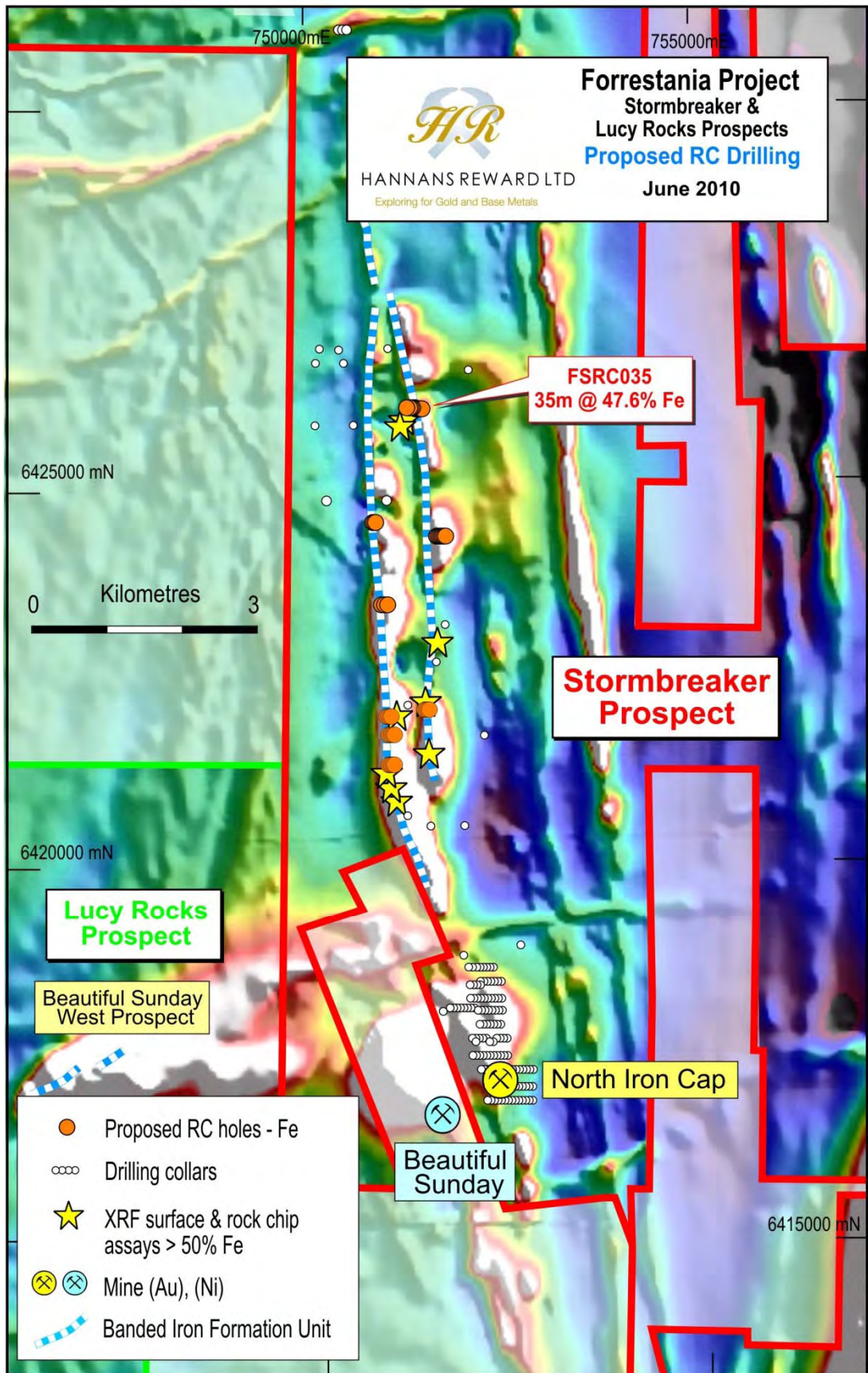


Figure 3. Stormbreaker iron sampling and proposed RC drilling collars

FORRESTANIA PROJECT (cont.)

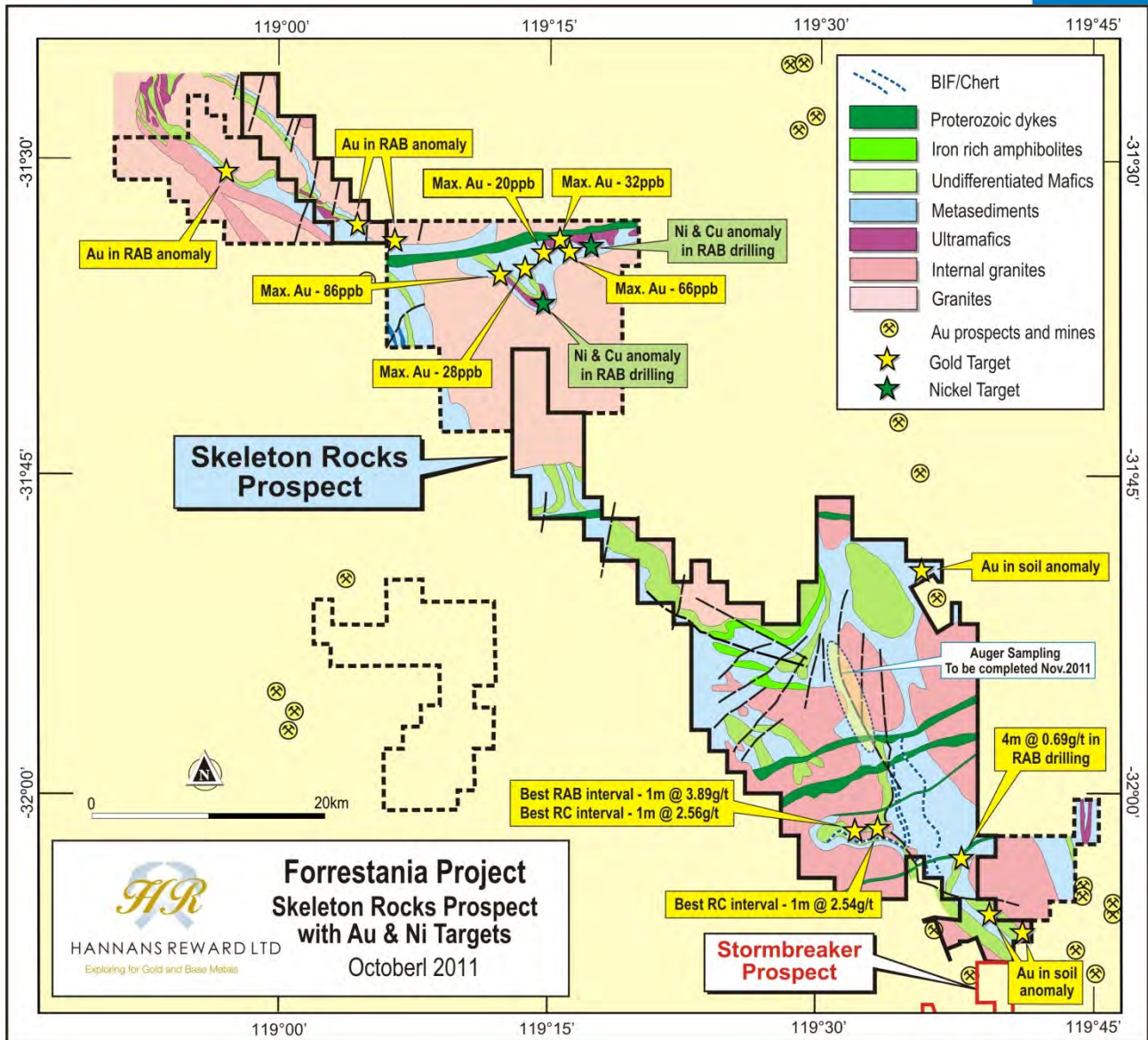


Figure 4. Skeleton Rocks geological interpretation and target locations.

LAKE JOHNSTON PROJECT

Hannans have put together a tenement portfolio at Lake Johnston which covers ~30 km's of greenstone stratigraphy (Figure 5). The granted tenure includes a number of high grade gold occurrences (Ernest, Hardcore and Mt Gordon prospects), as a result the project is considered to be highly prospective for the discovery of additional high grade gold mineralisation.

Exploration activities for the quarter included surface TEM at Maggie Hayes South and Mt Gordon, as well as a small number of rock chip samples from the Mt Gordon prospect (Figure 5).

The following table includes a summary of exploration activities completed for the Lake Johnston Project.

ACTIVITY	LAKE JOHNSTON SUMMARY
Surface EM	6 line km's of moving loop
Geochemical Sampling	6 rock chip samples

MAGGIES HAYES SOUTH

Surface moving loop TEM was completed over the Maggie Hayes South prospect area, the survey covered the prospective ultramafic unit in an area which has had little to no previous TEM coverage. A total of 3.5 line km's were completed, no anomalies were generated from the survey (Figure 6).

MT GORDON PROSPECT (E63/I365)

Six rock chip samples were collected from a nickel anomaly defined from recent soil sampling. The rock chips were taken from sub-cropping lithologies interpreted to be komatiitic, the assays results have since confirmed that the nickel anomaly has been generated from an ultramafic unit.

Moving loop TEM was carried out over the nickel anomaly described above, a total of 2.5 line km's were completed. No significant anomalies were generated from the survey (Figure 7).

The POW application for the Mt Gordon RC percussion drilling program has been approved, drilling will commence during October 2011 (Figure 8).

ONGOING EXPLORATION ACTIVITIES

- § RC percussion drilling to commence at Mt Gordon during October 2011.
- § Finalise geological interpretation and targeting for Au mineralisation over the project area.

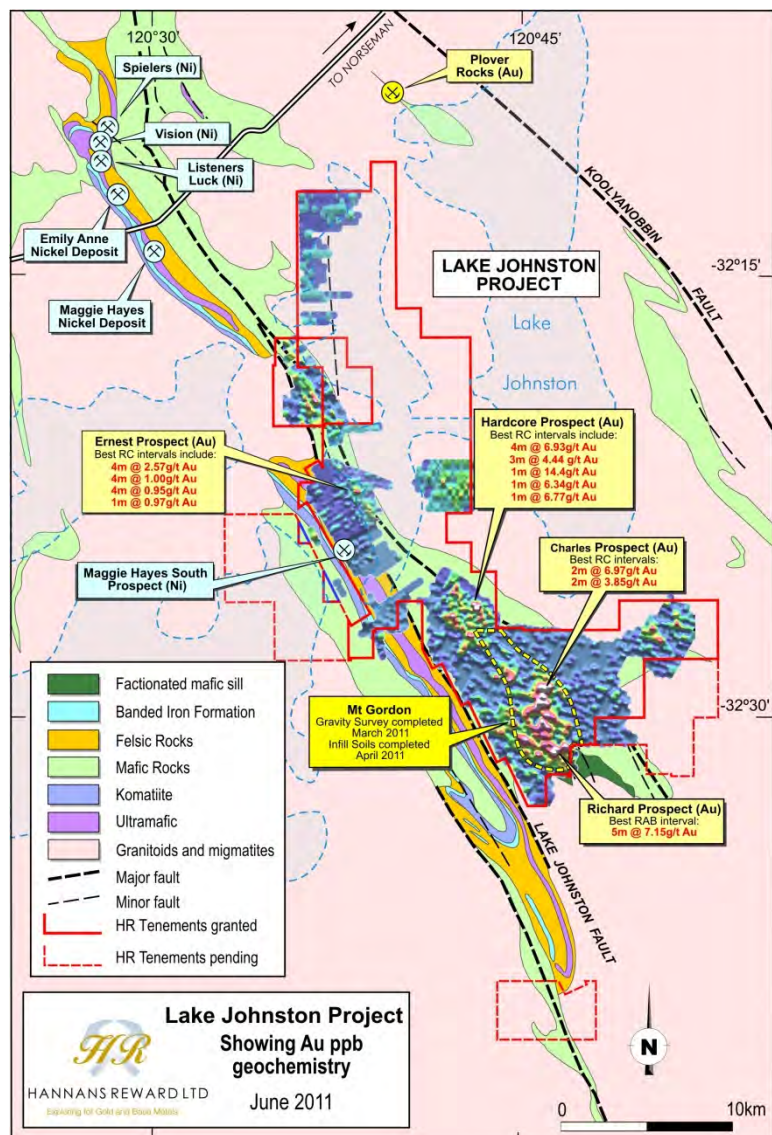


Figure 5. Lake Johnston Leasing Diagram showing regional geology, prospect locations and Au ppb geochemistry image.

LAKE JOHNSTON PROJECT (cont.)

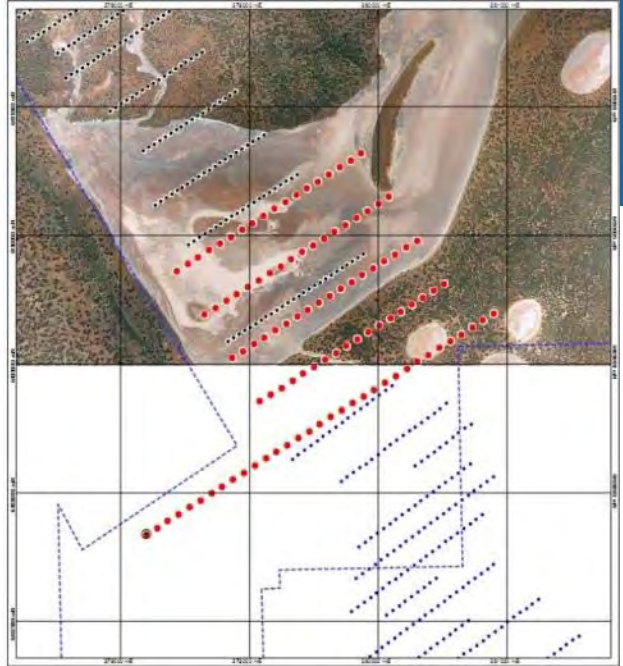
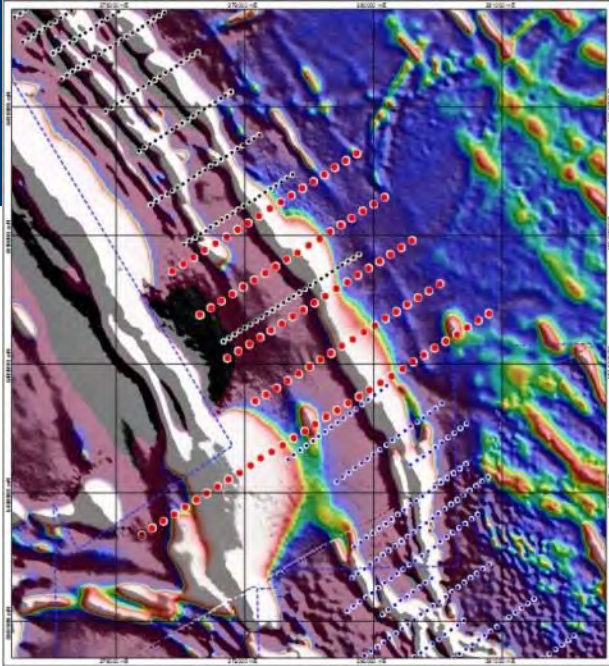


Figure 6. Maggie Hayes South showing MLEM survey

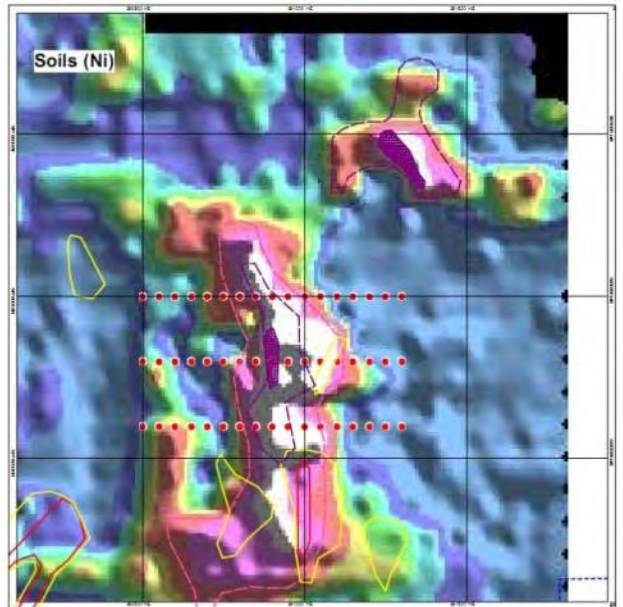
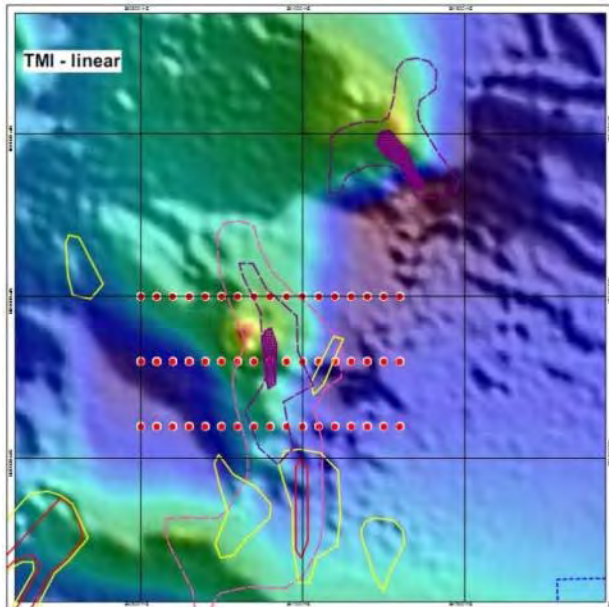


Figure 7. Mt Gordon Prospect area showing MLEM survey and Ni in soils anomaly.

LAKE JOHNSTON PROJECT (cont.)

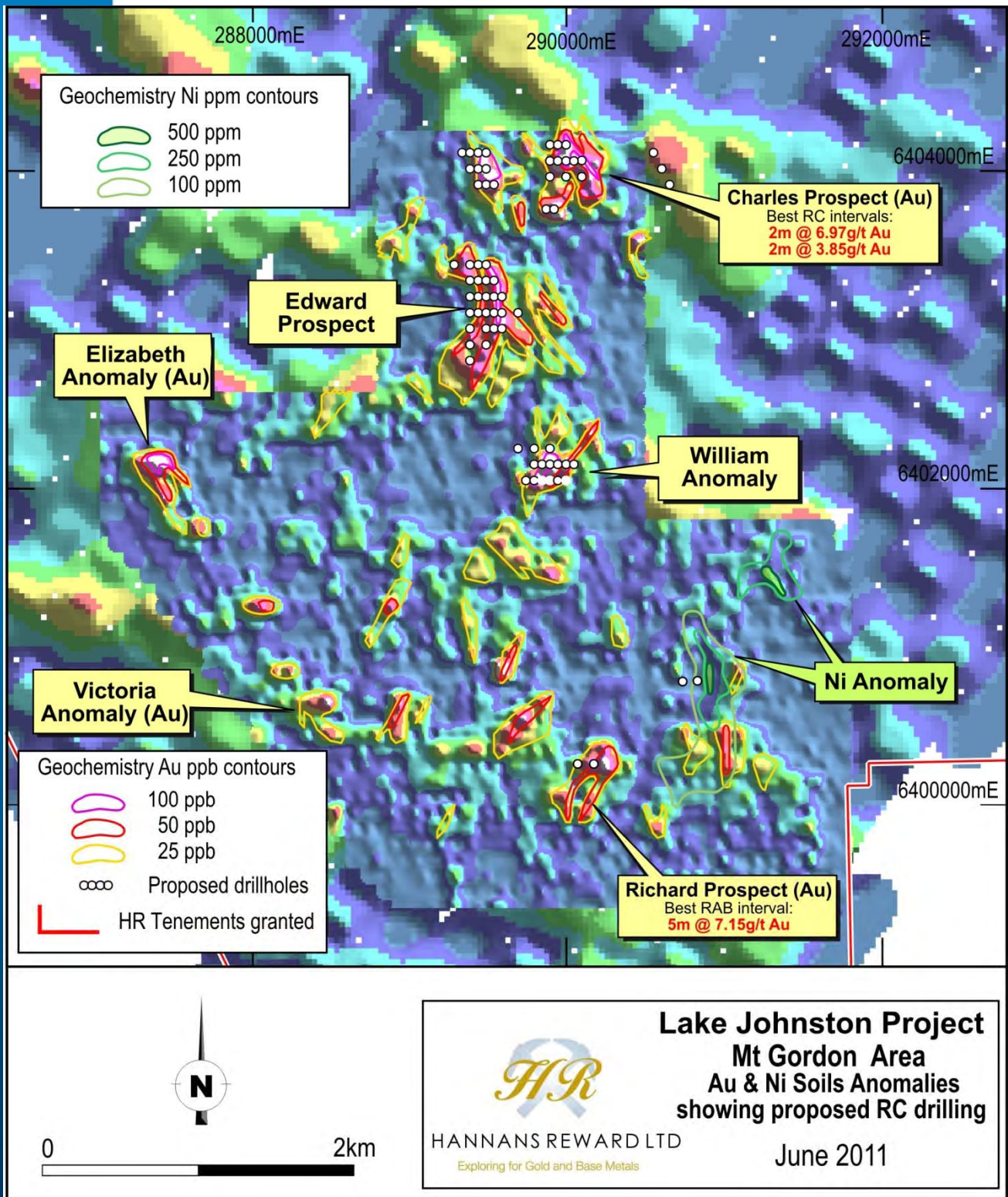


Figure 8. Mt Gordon Prospect area showing Au ppb soil anomalies and proposed RC drilling collars.

QUEEN VICTORIA ROCKS (QVR) PROJECT

Exploration for the quarter has included a surface TEM survey at the Spargos prospect (Figure 9).

The following table includes a summary of exploration activities completed for the Queen Victoria Rocks Project.

ACTIVITY	QVR SUMMARY
Airborne Magnetics	850 line km's

SPARGOS PROSPECT (P15/4964, P15/4965, P15/4966, P15/4967 and E15/971)

An airborne magnetic survey was completed over the Spargos prospect area, the survey was carried out using a 25 metre line spacing and a 25 metre flight height.

The processed data and subsequent images have helped to resolve the basal contact and internal stratigraphy of the host ultramafic sequence more accurately.

ONGOING EXPLORATION ACTIVITIES

- § Re-logging and XRF analysis of historical diamond drill core at Spargos.
- § Geological interpretation at Benari and northern tenements.

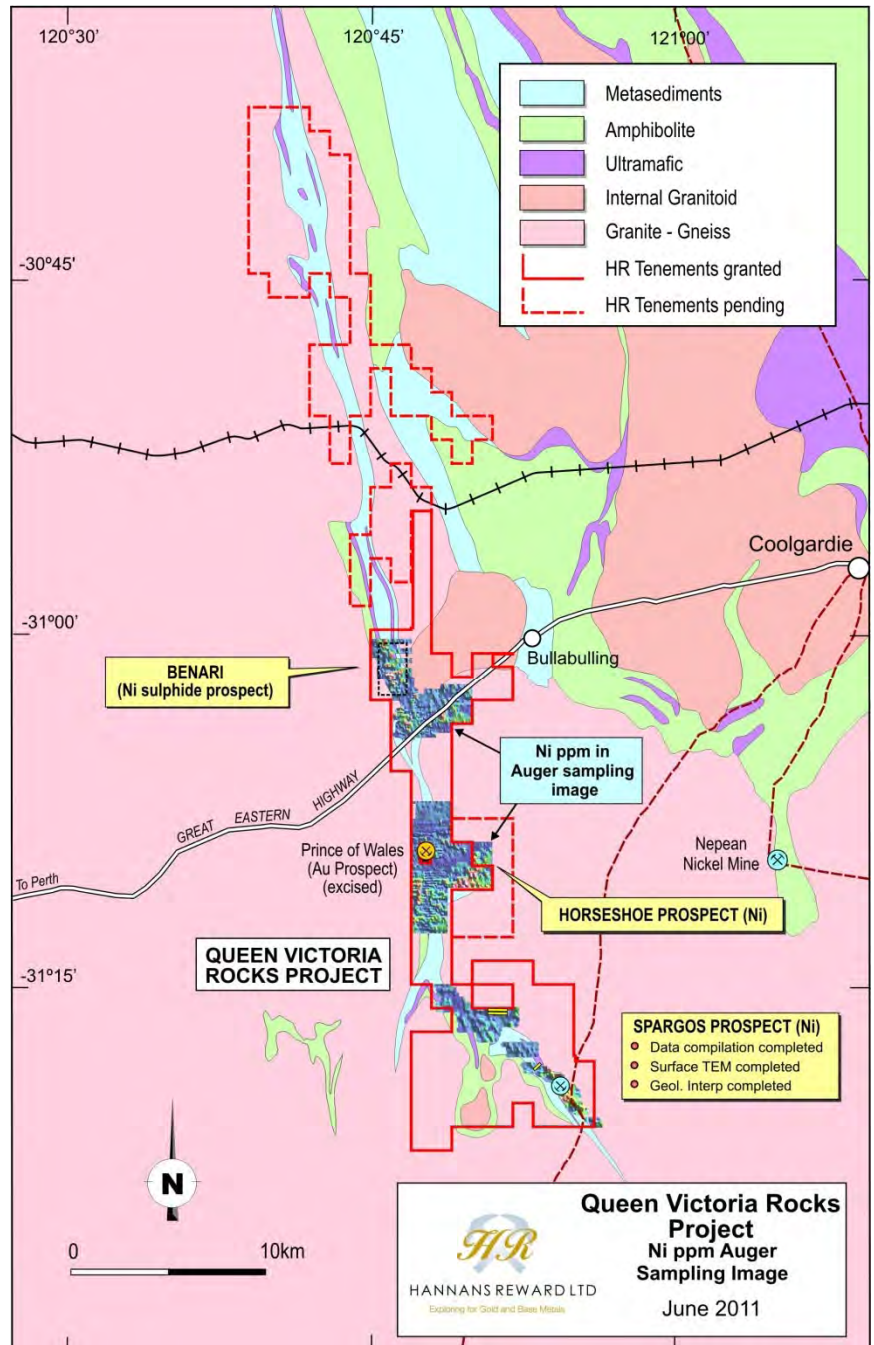


Figure 9. Hannans Reward Ltd – Queen Victoria Rocks Project

JIGALONG PROJECT

The RC drilling component of the program has recently been completed at both the Hill 616 and Dead Camel prospects (Figure 10). A combined total of 189 RC holes were drilled for 5,768 metres, giving an average hole depth of ~30 metres.

All corresponding samples taken from the RC drilling have now been submitted to the ALS Minerals laboratory in Perth for assaying. It is expected that the first round of assays results will be received in early November.

ACTIVITY	JIGALONG SUMMARY
RC percussion drilling	189 holes for 5,768 metres

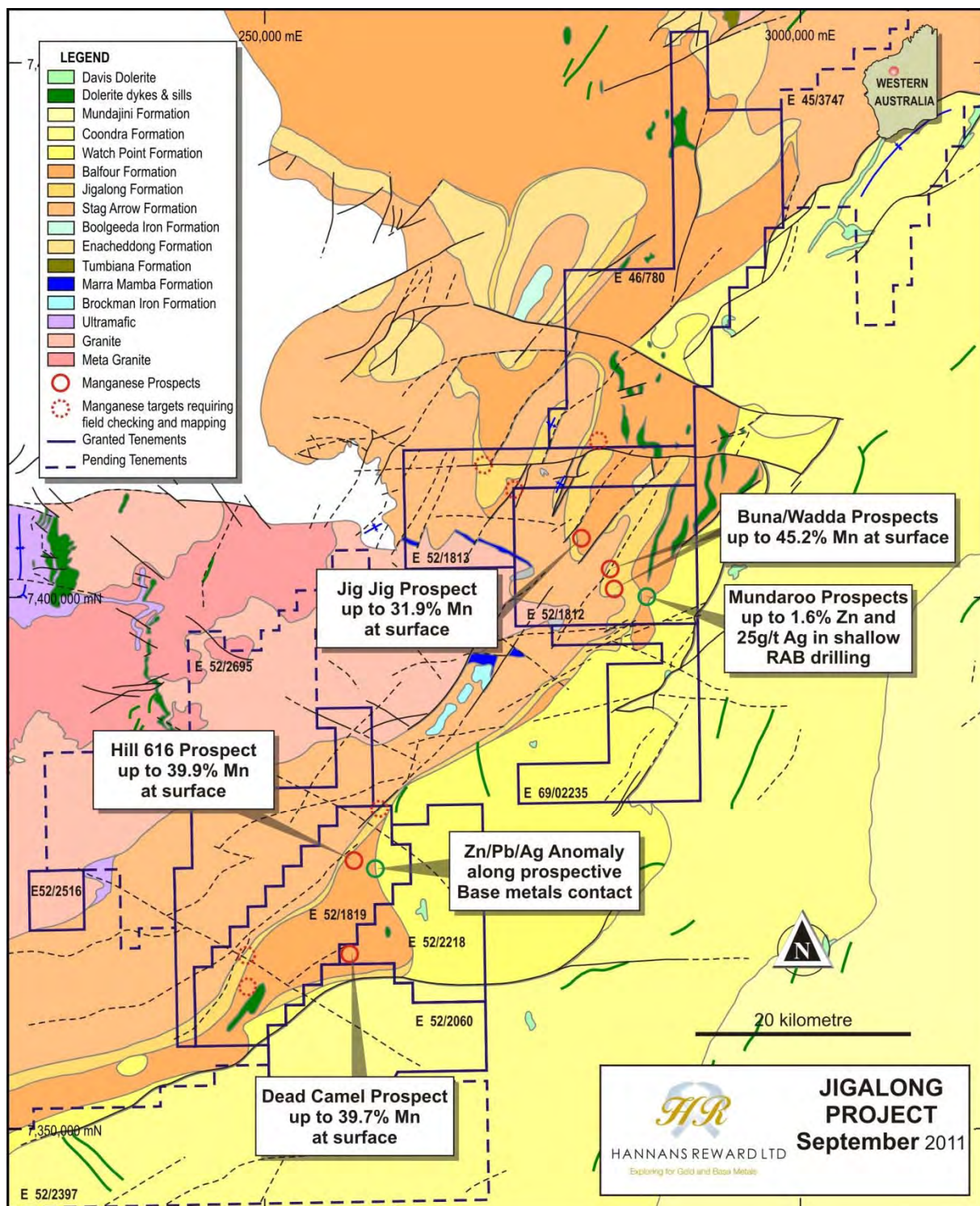


Figure 10. Jigalong Project tenements showing regional geology and prospect locations.

JIGALONG PROJECT (cont.)

HILL 616

The Hill 616 prospect was the first area to be targeted for RC drilling, with 158 holes completed for 4,754 metres. The drilling was conducted over a wide spaced (100m × 200m) grid pattern, which covered a strike extent of approximately 2.6 kilometres (Figure 11).

The mineralisation at Hill 616 was generally found to be shallow (mostly within 20 metres of the surface), gently dipping and laterally extensive across the target area. Significant widths of manganiferous mineralisation have been intersected over the entire 2.6 km’s of strike covered by the drilling program.

The manganese mineralisation occurs as multiple seams or bands of varying thickness within a highly weathered shale (Balfour Formation). Significant zones of manganese were still being intersected at both the North-West and South-East extents of the drilling program, indicating that mineralisation is open along strike in both directions. The first batch of assay results is expected to be received in early November.

DEAD CAMEL

Dead Camel was subsequently targeted with a further 31 holes completed for 1014 metres. As this was a ‘first pass’ of drilling for Dead Camel, the holes were drilled in a much more exploratory nature with the 31 holes being broadly spaced over an approximate 2 kilometres of strike extent.

Initial results from the RC drilling at Dead Camel have not been as encouraging as those from Hill 616. The mineralisation intersected appears to occur over narrow intervals and does not have significant lateral extent. No further drilling will be undertaken at the prospect in the short to medium term.

MUNDAROO ZINC PROSPECT

Petrology samples have been returned for the prospect; six samples were collected from aircore drilling completed during 2009. Sphalerite (zinc sulphide) and Galena (lead sulphide) have been identified in three of the six samples (Figure 12) with a fourth sample documented as having gossanous textures after original sphalerite, galena and pyrite mineralisation (Figure 13).

Assay results were received for the soil sampling program completed last quarter, the assays have been interpreted however the results are inconclusive due to the limited size of the sampling program. Additional sampling will be required to improve the effectiveness of the soil sampling survey.

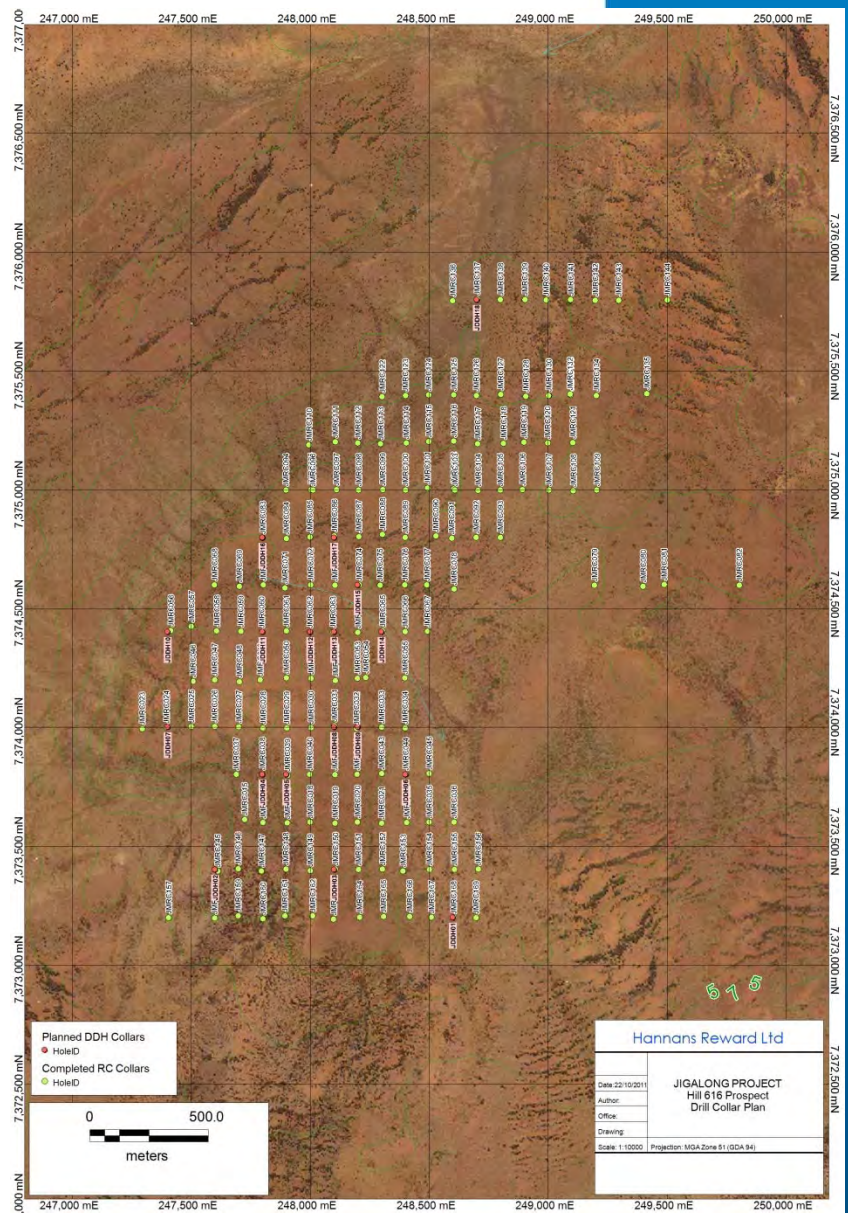


Figure 11. Jigalong Project – Hill 616 Prospect showing drill collar locations.

JIGALONG PROJECT (cont.)

ONGOING EXPLORATION ACTIVITIES

- § Diamond drilling to be completed at Hill 616 during the coming quarter.
- § Metallurgical samples from diamond drilling to be submitted for test work during the next quarter.
- § Field mapping over manganese prospects within the northern tenements.
- § Additional soil sampling required over prospective zinc corridor.

CLASSIFICATION: *A weakly hydrothermally altered (sericite, quartz, clay) argillite host contains thin epithermal veins containing minor pyrite and sphalerite mineralisation.*

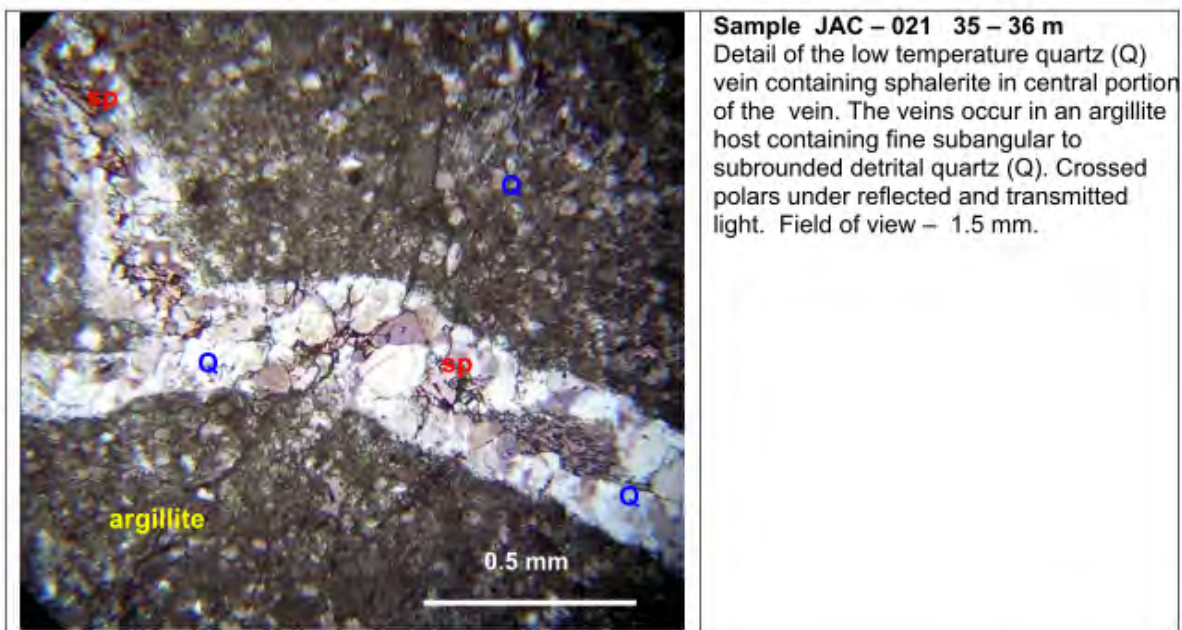


Figure 12. Jigalong Project – Mundaroo Zinc petrology description from aircore sample JAC021 (35 to 36 metres downhole).

CLASSIFICATION: *Gossanous quartz vein. Gossan textures are interpreted to be after original sphalerite, galena and pyrite. The original vein is interpreted to have a low temperature hydrothermal origin.*

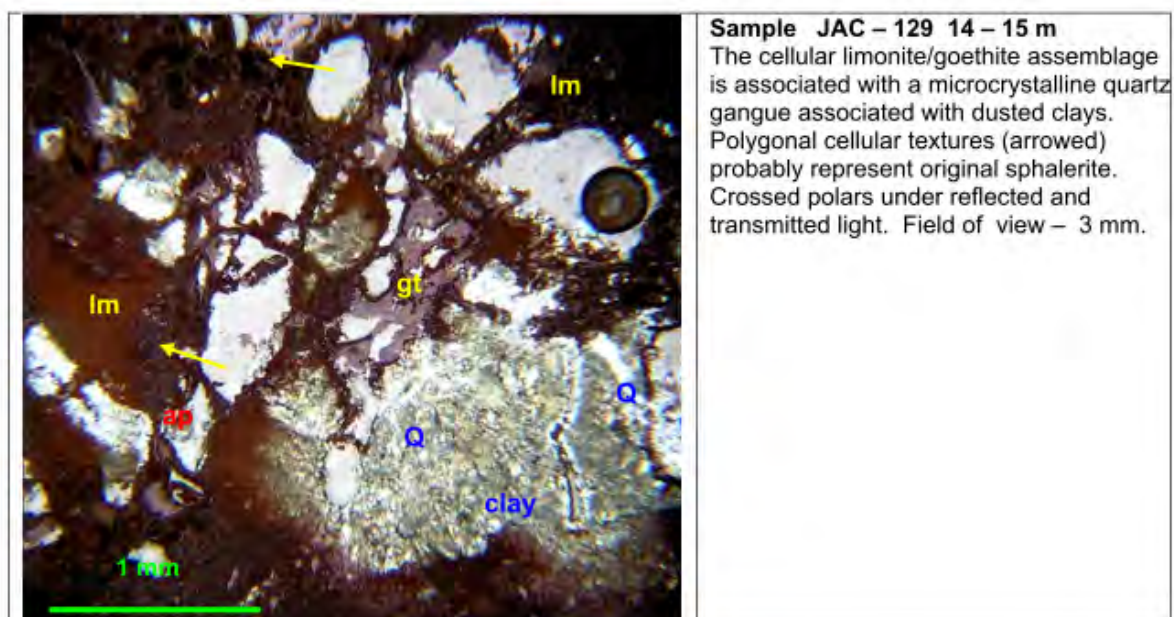


Figure 13. Jigalong Project – Mundaroo Zinc petrology description from aircore sample JAC129 (14 to 15 metres downhole).

SUMMARY OF EXPLORATION ACTIVITIES

including ongoing exploration activities and schedule

FORRESTANIA PROJECT (1,107 sq km's granted, 709 sq km's application)

Schedule from Previous Qtr	Work Completed Current Qtr	Summary and Positive Results	Outstanding Activities from Previous Qtr	Schedule Coming Qtr
SKELETON ROCKS PROSPECT (Ni + Au)				
<ul style="list-style-type: none"> § Further field reconnaissance, mapping and sampling. § Auger sampling over Au and Ni targets. 	<ul style="list-style-type: none"> § Data review and compilation has been completed. § Auger sampling targeting Au and base metals commenced. 	<ul style="list-style-type: none"> § A number of gold and nickel anomalies have been documented; the anomalies warrant additional exploration activities. 	<ul style="list-style-type: none"> § Reconnaissance mapping and sampling. § Complete auger sampling. 	<ul style="list-style-type: none"> § Field check Au and Ni anomalies. § Complete auger sampling during the coming quarter.
STORMBREAKER PROSPECT (Ni)				
<ul style="list-style-type: none"> § RC Percussion drilling targeting TEM anomaly, magnetic high features and komatiitic lithologies at Stormbreaker West. § Additional auger sampling at Stormbreaker NW to better define the Cu anomaly. 	<ul style="list-style-type: none"> § 10 RC percussion holes completed for 2,346 metres, all assays received with no significant results to report. § Auger sampling at Stormbreaker NW completed, assays have been received and the data will be processed during the coming quarter. 	<ul style="list-style-type: none"> § No significant assays returned from the drilling. § The auger sampling has detected ultramafic lithologies at Stormbreaker North. § POW application approval received for the first phase of drilling testing the iron mineralisation. 	<ul style="list-style-type: none"> Nil. 	<ul style="list-style-type: none"> § Process and interpret auger sampling programs. § Field reconnaissance at Stormbreaker North. § RC percussion drilling to test hematite rich iron mineralisation during the coming quarter.
LUCY ROCKS PROSPECT (Ni)				
<ul style="list-style-type: none"> § Additional RC drilling to test greenstones at Beautiful Sunday West. § Aircore/RC drilling at Lucy Rocks South to be completed during July 2011. 	<ul style="list-style-type: none"> § Two RC percussion holes were completed at Beautiful Sunday West, holes intersected granitic lithologies. § Aircore and RC drilling completed at Lucy Rocks South, 14 RC percussion holes were completed for 1,021 metres. 	<ul style="list-style-type: none"> § No significant assay results to report. 	<ul style="list-style-type: none"> Nil. 	<ul style="list-style-type: none"> § Additional RC drilling to test greenstones at Beautiful Sunday West. § Aircore/RC drilling at Lucy Rocks South to be completed during July 2011.

QUEEN VICTORIA ROCKS PROJECT (302 sq km's granted, 253 sq km's application)

Schedule from Previous Qtr	Work Completed Current Qtr	Summary and Positive Results	Outstanding Activities from Previous Qtr	Schedule Coming Qtr
BENARI PROSPECT(Ni)				
<ul style="list-style-type: none"> § Geological interpretation at Benari and further north. § Historical data reviews on northern tenements. 	<ul style="list-style-type: none"> § Historical data review underway. 	<ul style="list-style-type: none"> § Very limited exploration for Ni has been completed on the northern tenements. 	<ul style="list-style-type: none"> § Geological interpretation. 	<ul style="list-style-type: none"> § Rehabilitation of RC drilling collars and pads. § Validate geology and magnetic high features.
HORSESHOE PROSPECT (Ni)				
<ul style="list-style-type: none"> Nil. 	<ul style="list-style-type: none"> Nil. 	<ul style="list-style-type: none"> Nil. 	<ul style="list-style-type: none"> Nil. 	<ul style="list-style-type: none"> Nil.
SPARGOS NORTH (Ni)				
<ul style="list-style-type: none"> § Field reconnaissance and mapping. 	<ul style="list-style-type: none"> § Airborne magnetic survey completed. 	<ul style="list-style-type: none"> § Better resolution of geology from the airborne magnetic survey. 	<ul style="list-style-type: none"> § Field reconnaissance and mapping. 	<ul style="list-style-type: none"> Nil.
SPARGOS PROSPECT (Ni)				
<ul style="list-style-type: none"> § Re-logging of historical diamond drill core. § Finalise surface TEM interpretation and validation. § Plan diamond drilling program as required. 	<ul style="list-style-type: none"> § Surface TEM data has been interpreted; results were inconclusive due to the highly resistive nature of the Spargos prospect geology. § Airborne magnetic survey completed. 	<ul style="list-style-type: none"> § Minor conductive feature in the south eastern portion of the prospect. § Better resolution of geology from the airborne magnetic survey. 	<ul style="list-style-type: none"> § Re-logging of historical diamond drill core. § Plan diamond drilling program. 	<ul style="list-style-type: none"> § Re-logging of historical diamond drill core. § Plan diamond drilling program.
SPARGOS SOUTH (Ni)				
<ul style="list-style-type: none"> Nil. 	<ul style="list-style-type: none"> § Airborne magnetic survey completed. 	<ul style="list-style-type: none"> § Better resolution of geology from the airborne magnetic survey. 	<ul style="list-style-type: none"> Nil. 	<ul style="list-style-type: none"> Nil.

SUMMARY OF EXPLORATION ACTIVITIES (cont.)

including ongoing exploration activities and schedule

LAKE JOHNSTON PROJECT (372 sq km's granted, 82 sq km's application)

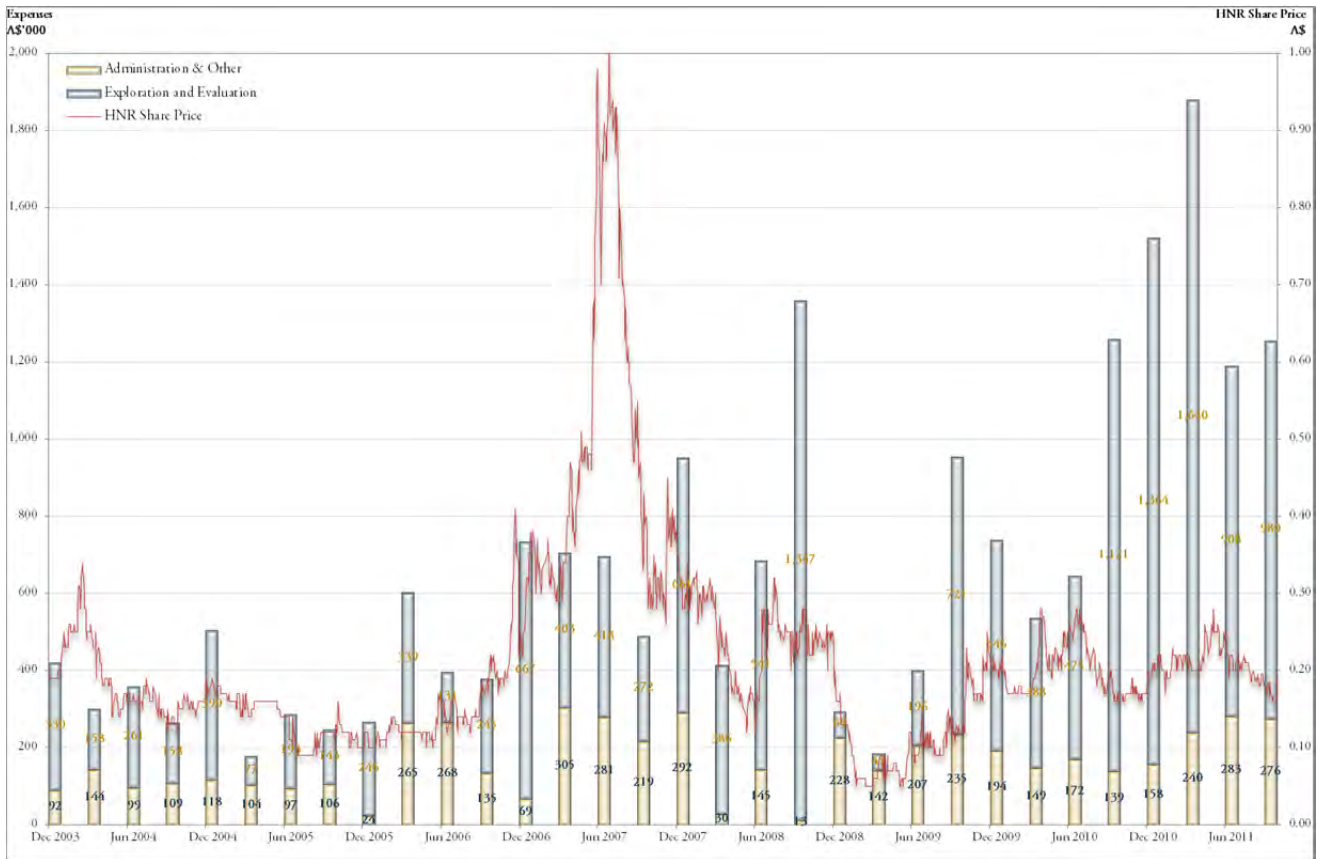
Schedule from Previous Qtr	Work Completed Current Qtr	Summary and Positive Results	Outstanding Activities from Previous Qtr	Schedule Coming Qtr
ERNEST PROSPECT (Au)				
<ul style="list-style-type: none"> § Rehabilitation of RC drilling collars and pads. § Targeting for Au. 	Nil.	Nil.	<ul style="list-style-type: none"> § Rehabilitation of RC drilling collars and pads. § Targeting for Au. 	<ul style="list-style-type: none"> § Rehabilitation of RC drilling collars and pads.
HARDCORE PROSPECT (Au)				
<ul style="list-style-type: none"> § Data review and detailed geological interpretation. § Targeting for Au. § Rehabilitation of RC drilling collars and pads. 	Nil.	Nil.	<ul style="list-style-type: none"> § Data review and detailed geological interpretation. § Targeting for Au. § Rehabilitation of RC drilling collars and pads. 	<ul style="list-style-type: none"> § Rehabilitation of RC drilling collars and pads.
MT GORDON PROSPECT (Au)				
<ul style="list-style-type: none"> § Geological Interpretation. § RC percussion drilling to commence pending approvals. 	<ul style="list-style-type: none"> § Flora Survey completed. § Conservation Management Plan completed and submitted to the DEC. § Geological interpretation commenced. § Surface TEM traverses completed over Ni anomaly. 	<ul style="list-style-type: none"> § POW application approval received. § Au mineralisation appears to be structurally controlled, strong correlation between Au anomalies and NNW trending structures. 	<ul style="list-style-type: none"> § Finalise geological interpretation. 	<ul style="list-style-type: none"> § RC drilling to commence during October 2011.
MAGGIE HAYES SOUTH PROSPECT (Ni + Au)				
<ul style="list-style-type: none"> § Surface TEM over the southern portion of the ultramafic unit. § Geological interpretation. 	<ul style="list-style-type: none"> § Surface TEM completed at Maggie Hayes South. 	<ul style="list-style-type: none"> § No significant anomalies generated from the survey. 	<ul style="list-style-type: none"> § Two traverses of moving loop TEM remain to be completed. § Geological interpretation. 	<ul style="list-style-type: none"> § Surface TEM traverses.

JIGALONG PROJECT (1,758 sq km's granted, 1,215 sq km's application)

Schedule from Previous Qtr	Work Completed Current Qtr	Summary and Positive Results	Outstanding Activities from Previous Qtr	Schedule Coming Qtr
HILL 616 PROSPECT (Mn)				
<ul style="list-style-type: none"> § Plan and implement drilling at Hill 616. § Field mapping of selected manganese target areas. 	<ul style="list-style-type: none"> § RC percussion drilling completed at Hill 616, 158 holes completed for 4,754 metres. § Field mapping continued at Hill 616. 	<ul style="list-style-type: none"> § Extensive Mn mineralisation identified in drilling and outcrop. 	<ul style="list-style-type: none"> § Complete diamond drilling program. 	<ul style="list-style-type: none"> § Diamond drilling program to complete. § Metallurgical samples to collect.
MANGANESE TARGETING				
<ul style="list-style-type: none"> § Design and implement drilling program for Dead Camel. § Complete field mapping on northern tenements. 	<ul style="list-style-type: none"> § Dead Camel RC percussion drilling completed, 31 holes completed for 1,014 metres. 	<ul style="list-style-type: none"> § Mn mineralisation intersected in drilling does not warrant further drilling in the short to medium term. 	<ul style="list-style-type: none"> § Field reconnaissance over northern tenements. 	<ul style="list-style-type: none"> § Field season will end in November so there will not be any more field work carried out during the coming two quarters.
MUNDAROO (Zn)				
<ul style="list-style-type: none"> § Complete petrology. § Process soil sampling assays. 	<ul style="list-style-type: none"> § Six petrology samples collected for analysis. § Soil sampling data processed. 	<ul style="list-style-type: none"> § Sphalerite and galena identified in 3 samples, an additional sample was identified as a gossan after sphalerite, galena and pyrite mineralisation. 	<ul style="list-style-type: none"> § Coherent and effective zinc exploration program. 	<ul style="list-style-type: none"> § Design and plan zinc exploration program.

CASH EXPENDITURE & SHARE PRICE

(all quarters since ASX Listing)



EXPLORATION EXPENDITURE 2011/2012

	1st Quarter	
	A\$	%
Geological activities	193,212	16.88%
Geochemical activities	109,855	9.60%
Geophysical activities	53,104	4.64%
Drilling	436,859	38.16%
Field Supplies	68,524	5.99%
Field camp and travel	77,593	6.78%
Environmental	21,189	1.85%
Rehabilitation	-	0.00%
Annual tenement rent	25,875	2.26%
Annual tenement rates	128,600	11.23%
Tenement administration	30,795	2.69%
Tenement application fees	(770)	(0.07)%
Penalty & exemption fees	-	-%
Total	1,144,837	100%
Cash Basis (Appendix 5B)	980,000	
Timing Difference	164,837	

The amounts shown above are prepared on an Accruals Basis and are unaudited.

COMPETENT PERSON STATEMENT

The information in this document that relates to exploration results is based on information compiled by Mr Donald Huntly, Exploration Manager who is a Full Member of the Australian Institute of Geoscientists and a Registered Professional Geoscientist. Mr Huntly is a full-time employee with Hannans Reward Ltd. Mr Huntly 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". Mr Huntly consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

CONTACTS

For further information please contact:

HANNANS REWARD
Mr Damian Hicks
Managing Director
Tel: +61 8 9324 3388

MEDIA
Mr James Harris
Professional Public Relations
Tel: +61 400296547

HANNANS INVESTMENT MANAGEMENT

VALUATION OF EQUITIES as of 30 September 2011

COMPANY	TYPE	NUMBER	PRICE (\$)	VALUE (\$)	NOTES
AGO	FPO	6,201,334	2.85	17,673,802	1
SCR	FPO	1,835,001	0.31	568,850	
Other	FPO	165,000	0.09 – 0.17	31,525	
SCR	Options (ex. 20c)	1,250,001	0.17	212,500	2
SCR	Options (ex. 40c)	500,000	0.11	55,000	3
SCR	Con Note (33 – 66c)	10,504,581 [^]	0.31	3,256,420	4,5
Theoretical Value of Equities				21,798,097	
Cash at Bank				304,000	
Total Equities and Cash				22,102,097	

LOAN / CONVERTIBLE NOTE FACILITIES as of 30 September 2011

TO	FACILITY (\$)	DRAWN DOWN (\$)	NO OF SCR SHARES*	NOTES
Kiruna Iron AB	2,500,000	2,500,000	7,969,495	4
Scandinavian Resources Ltd	1,250,000	395,000	605,713	4
Kiruna Iron AB	750,000	750,000	1,929,373	4
Total	4,500,000	3,645,000		
Total Loan Interest-to-date	187,056			
TOTAL RECEIVABLE	3,832,056	OR	10,504,581[^]	4,5

* Based on the assumption that Hannans converts the loan facilities including interest earned to SCR shares.

HANNANS REWARD LTD CAPITAL STRUCTURE as of 30 September 2011

TYPE	NUMBER	EXPIRY
FPO	131,648,715	
Options (ex. 80c)	1,000,000	30-Jun-12
Options (ex. 40c)	100,000	30-Jun-12
Options (ex. 80c)	1,000,000	30-Jun-13
Options (ex. 20c)	2,000,000	30-Jun-13
Options (ex. 20c)	300,000	20-Jul 13
Options (ex. 75c)	300,000	20-Jul 13
Options (ex. 100c)	300,000	20-Jul 13
Fully diluted FPO	133,948,715	

Notes

1 – Approximately 900,000 AGO shares were sold during October 2011

2 – Theoretical value calculated using BSOPM with 3.63% risk free rate, 100% volatility & 397 days to maturity as of 30 September 2011

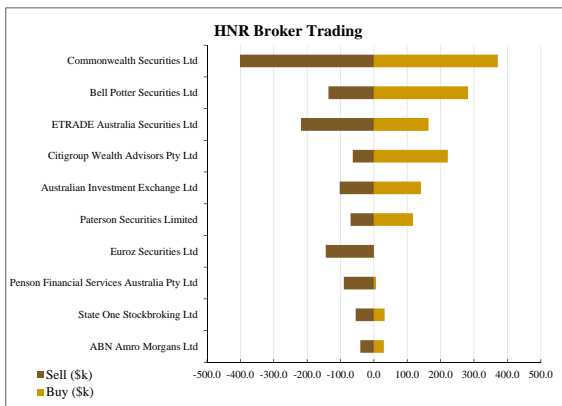
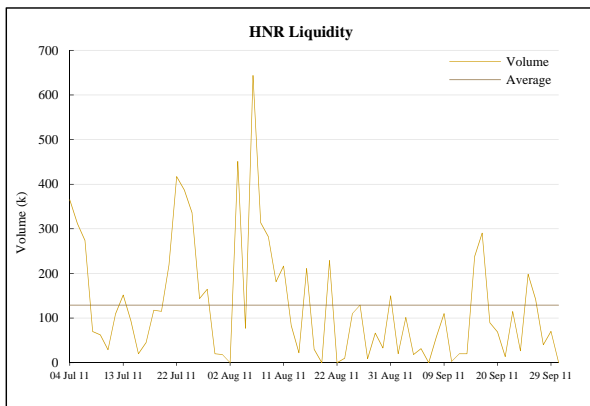
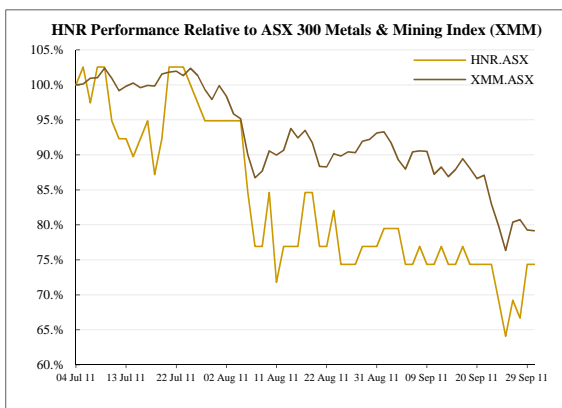
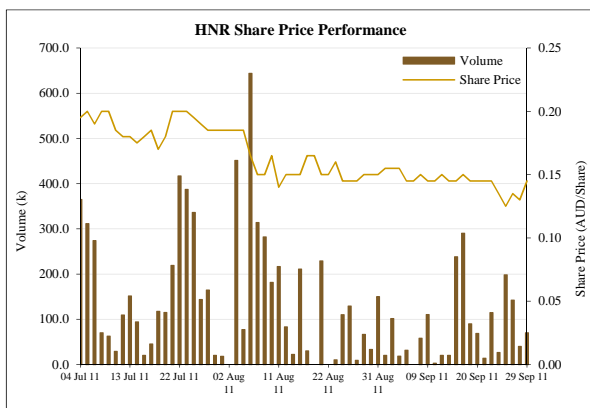
3 – Theoretical value calculated using BSOPM with 3.63% risk free rate, 100% volatility & 442 days to maturity as of 30 September 2011

4 – Assumes 100% of amount currently drawn, converted into SCR at 33c and 66c respectively

5 – Refer Financial Report for the Annual Year Ended 30 June 2011

TOP 20 HOLDERS as of 30 September 2011

Rank	Name	Units	% of Units
1.	JP Morgan Nominees Australia Limited <Cash Income A/C>	11,168,023	8.48
2.	Marfield Pty Limited	8,724,543	6.63
3.	Aust Global Resources Pty Ltd	3,636,363	2.76
4.	Mr Damian Peter Hicks	3,554,697	2.70
5.	Eric Preston Pty Ltd	2,600,000	1.97
6.	Mossisberg Pty Ltd	2,296,296	1.74
7.	Dixon International Pty Ltd	2,075,720	1.58
8.	HSBC Custody Nominees (Australia) Limited	1,748,200	1.33
9.	Navigator Australia Ltd <Navigator Pers Plan Sett A/C>	1,608,989	1.22
10.	Kanaslex Pty Limited	1,548,296	1.18
11.	Ms Susan Eileen Dechow	1,500,001	1.14
12.	Bonord Pty Ltd <C W Hulls &Co Super Fund>	1,500,000	1.14
13.	Mr Terrence Ronald Grammer	1,500,000	1.14
14.	Susern Holdings Pty Ltd	1,500,000	1.14
15.	Mandies Meats Pty Ltd <Number 2 Account>	1,497,000	1.14
16.	Ms Mara Jane Rudd	1,400,000	1.06
17.	Mr Terrence Ronald Grammer	1,390,000	1.06
18.	Jigalong Community Inc/c	1,306,500	0.99
19.	Mr David Milorad Novac + Ms Cathy Lee Sheehan <Shevac Super Fund A/C>	1,206,346	0.92
20.	Nijinsky Corporation Pty Ltd<Nijinsky Retire Fund A/C>	1,200,600	0.91
Totals: Top 20 holders of ORDINARY SHARES (GROUPED)		52,961,574	40.23
Total Remaining Holders Balance		78,687,141	59.77





TRANSACTION SERVICES & CORPORATE MANAGEMENT

Corporate Board Services is designed to assist the Boards and Management of ASX listed companies and those looking to list by assuming responsibility for the day-to-day compliance management of a Company and assisting companies through the IPO process. This value added service will enable the Board to focus on important strategic decisions.

STRATEGY

- CBS revenue reduces Hannans' fixed cost
- CBS offers Hannans shareholders opportunities to access new offerings (e.g. Scandinavian Resources Ltd, Naracota Resources Ltd, Lithex Resources Ltd)
- CBS utilises expertise of Hannans corporate team to provide transaction services and corporate management services to listed and unlisted private and public companies
- Authorised Representative of AFSL holder – in progress

SERVICES OFFERED FOR THE QUARTER

- Management of Initial Public Offering (IPO)
 - Financial Management
 - § Budgeting and forecasting
 - § Bookkeeping
 - ASX Compliance Management
 - § Annual Report
 - § Half-year Report
 - Shareholder Communications Management
 - Company Secretarial & Administrative Support
- § Board remuneration, salaries and wages
 - § Management reporting
 - § Quarterly Report
 - § ASX & ASIC Documentations

CLIENTELE

Our clients include Scandinavian Resources Ltd (ASX: SCR), Equity & Royalty Resources Ltd, Naracota Resources Ltd (ASX: NRR) and Swedish incorporated entities Scandinavian Resources AB and Kiruna Iron AB as well as the Hannans Reward Group of companies.

The range of services provided this year include assisting with the IPO and listing on the ASX of Narracota Resources Ltd, preparation of Annual, Half Year and Quarterly Reports, preparation of loan documents, preparation of detailed board packs for board meetings, arranging shareholder meetings, preparation of Notices of Meeting and providing full accounting and financial management support to our Australian and Swedish based clients.

Our clients' benefits by engaging with experienced and professional services customised to their individual needs which provides ease of mind that unnecessary missed dates or delays in the company's obligations. This enables clients to focus on the core business activities of their company rather than day-to-day management, providing better utilisation of management's time.

For further information, contact our office at 08 9324 3388