



HANNANS REWARD

Exploring for Gold and Base Metals

ASX Announcement / Media Release

22 December 2011

East Pilbara Manganese Project

Encouraging Assay Results

- Assay results have been received and interpreted for the first round of RC drilling with **grades up to 33% Mn** intersected.
- Overall results confirm multiple, **broad, shallow zones of medium grade (>14%) manganese mineralisation** across the Hill 616 prospect.
- Core drilling has now completed with samples to be submitted for metallurgical beneficiation testwork in January 2012
- On target to lodge mineralisation report for Hill 616 prospect in Q1 2012.

Western Australian minerals exploration company Hannans Reward Ltd (ASX:HNR) is pleased to provide an update on its latest results received from RC and diamond (core) drilling recently undertaken at the 3,000 km² East Pilbara Manganese Project (previously referred to as the Jigalong Project) located in the Pilbara region of Western Australia (Figure 1).

Assay results have now been received and interpreted for the first round of RC drilling conducted at the Hill 616 and Dead Camel prospects. The results show broad intersections of manganese mineralisation (>14% Mn) at Hill 616. Better intercepts include:

JMRC015 – 13m @ 15.07%Mn from surface
JMRC018 – 12m @ 15.90%Mn from 4 metres
JMRC051 – 12m @ 15.18%Mn from 3 metres
JMRC060 – 10m @ 15.76%Mn from 2 metres
JMRC066 – 9m @ 16.15%Mn from 5 metres
JMRC168 – 4m @ 25.56%Mn from 6 metres

Including 1m @ 31.758%Mn

A summary table of all significant intersections can be found in Appendix 1.

Fast Facts

ASX Code: HNR

Capital Structure

Shares on issue: 131.6m

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

Market cap: \$13.1m (at 10c)

Financial Position (at end of Quarter)

Cash on hand: \$0.3m (Sept 2011)

Value of Equity Positions &
Convertible Notes: ~\$16m

Board of Directors

Richard Scallan Chairman

Damian Hicks Managing Director

William Hicks Non-Executive Director

Jonathan Murray Non-Executive Director

Projects (Western Australia)

Forrestania Nickel & Gold

QVR Nickel

Lake Johnston Nickel & Gold

Jigalong Manganese
and base metals

Mineralisation

Results indicate that mineralisation at Hill 616 is open in both directions along strike, especially to the south where high grade mineralisation was still being encountered in the most southern drill line. The results also indicated that mineralisation continues under light cover to the East of the prospect area.

High grade (>20%) Manganese mineralisation was encountered in a number of small zones, both in the central and southern part of the prospect area. It was found that these high grade zones have been delineated from drilling in areas with no significant surface expression of Manganese, therefore potential remains to find further high grade mineralisation to the south of the prospect. The mineralisation occurs as massive, brecciated, dull to bright manganiferous material hosted in completely oxidised clay zones (Photo 1).

Medium grade (>14%) manganese mineralisation was found to exist in numerous broad zones, dominantly in the central and southern parts of the prospect area. It typically exists as thicker seams of dull manganiferous material in highly weathered shales and clays (Photo 2). As seen in figure 2, the medium grade parcel of mineralisation extends over a strike extent of ~2.2km (open to the south) and is up to ~1.2km wide in parts.

Low grade (>10%) Manganese mineralisation was encountered in most holes drilled at Hill 616 and was found to be laterally extensive. The low grade mineralisation typically exists as thin interbedded seams of matt to dull manganiferous material in highly weathered shales, ranging in thickness from several millimetres to several centimetres (Photo 3).

Future Exploration

Future activities are focussed on compiling sufficient information to lodge a mineralisation report with the Department of Mines and Petroleum as soon as practical that in turn may enable a Mining Lease Application to be lodged over the Hill 616 Prospect.

Work planned over Q1 and Q2 2012 includes (chronological order):

- Metallurgical testwork
- Detailed interpretation of the manganese mineralisation model to be completed
- Drilling, geophysical surveys, geological mapping and surface sampling planned to recommence in Q2 2012.



Photo – (left to right) – Scott Kay (METS), Joe Drake-Brockman (Manganese consultant), Tom Lyons (Hannans Reward Exploration Geologist) and Denis Yan (METS) discussing plans for metallurgical testwork at the Hannans Reward core shed facilities in December 2011

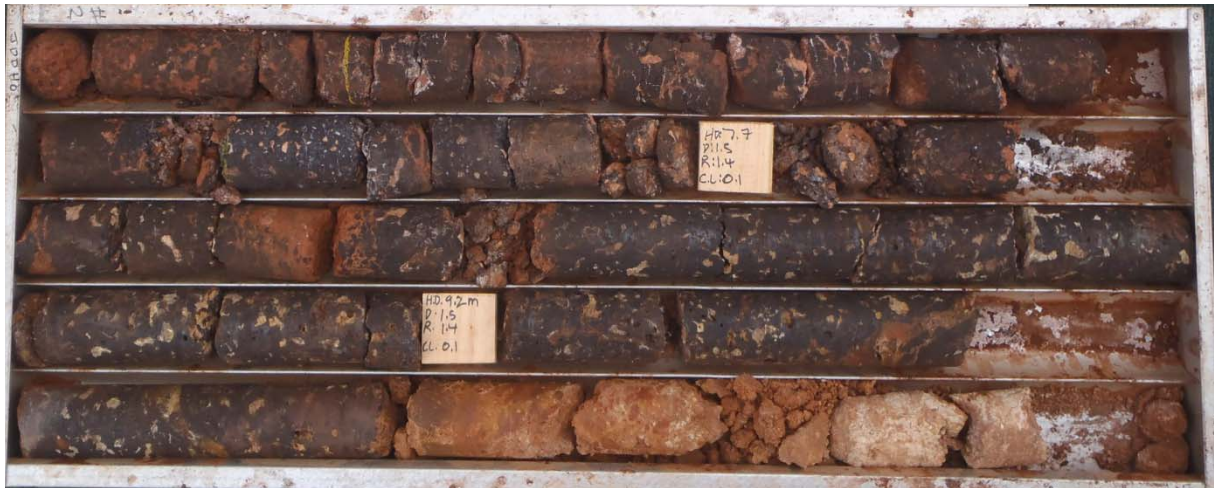


Photo 1 – High Grade (>20%Mn) Manganese Mineralisation in JDDH01



Photo 2 – Medium Grade (>14%Mn) Manganese Mineralisation in JDDH11



Photo 3 – Low Grade (>10%Mn) Manganese Mineralisation in JDDH05

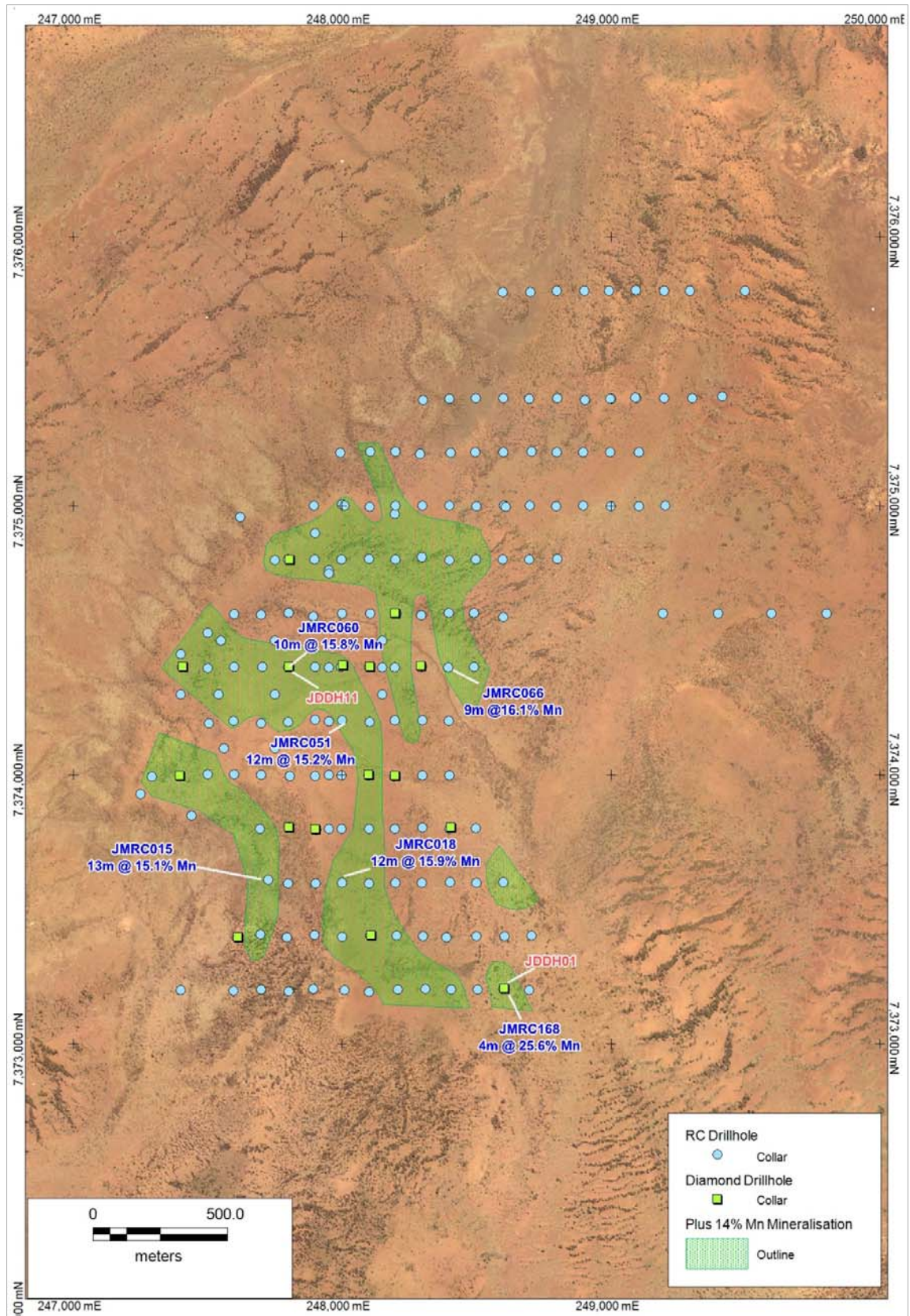


Figure 2 – Hill 616 Prospect drill collar location plan.

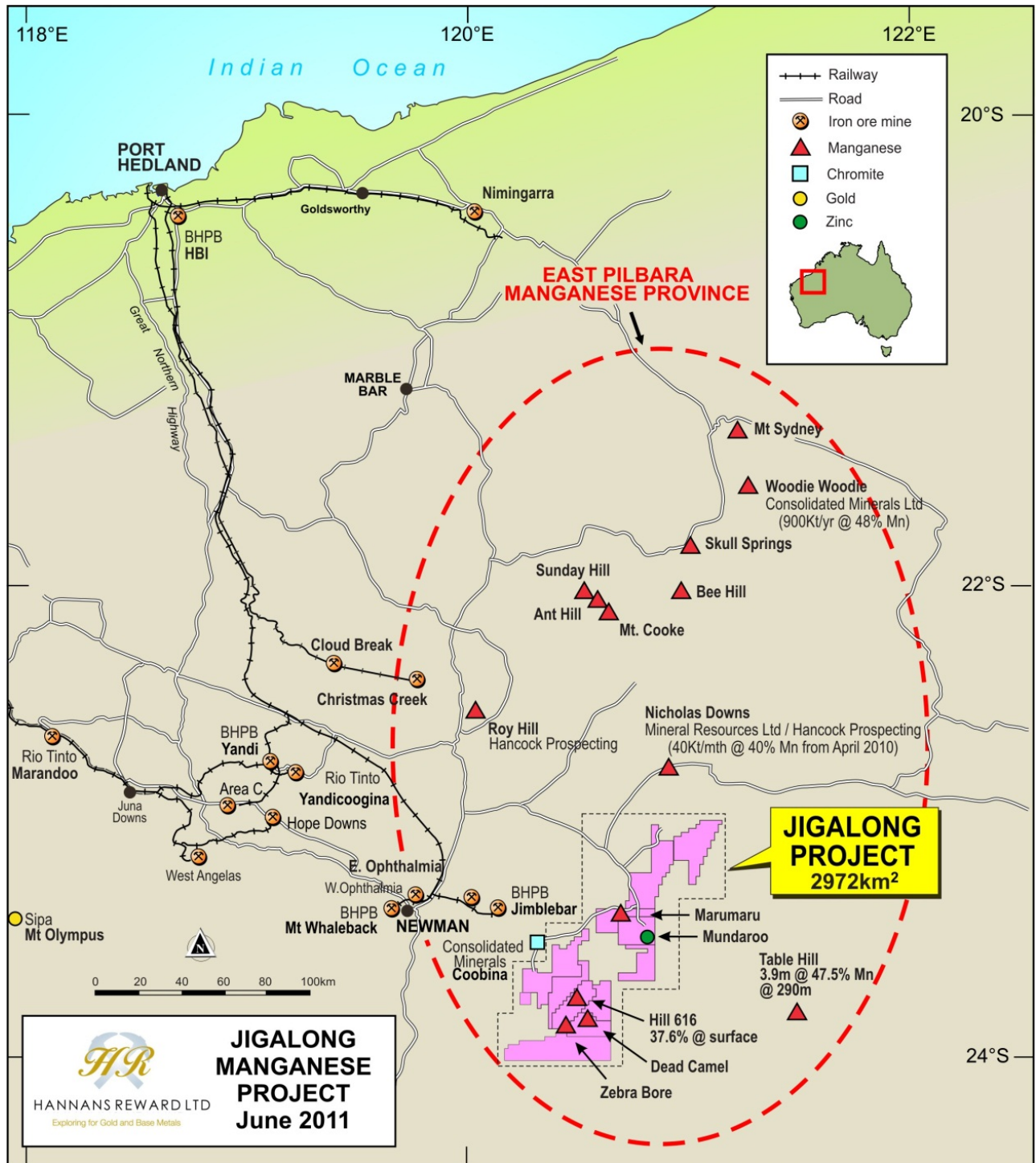


Figure 1 – Jigalong Manganese Project

Appendix 1 – Significant RC drilling results for Hill 616

Hole ID	Grid Id	Easting	Northing	Dip	Azi.	Total Depth	From (m)	To (m)	Interval (m)	Mn (%)
JMRC015	MGA94_51	247726	7373611	-90	0	30	0	13	13	15.073
JMRC015	MGA94_51	247726	7373611	-90	0	30	14	17	3	15.569
JMRC018	MGA94_51	247999	7373599	-90	0	36	4	16	12	15.907
JMRC019	MGA94_51	248101	7373597	-90	0	36	11	16	5	14.375
JMRC020	MGA94_51	248198	7373600	-90	0	36	4	7	3	14.459
JMRC021	MGA94_51	248295	7373600	-90	0	36	7	9	2	15.744
JMRC022	MGA94_51	248400	7373601	-90	0	36	9	13	4	15.066
JMRC022	MGA94_51	248400	7373601	-90	0	36	20	23	3	15.595
JMRC023	MGA94_51	247294	7373994	-90	0	54	6	10	4	18.706
JMRC024	MGA94_51	247398	7373997	-90	0	36	6	14	8	15.091
JMRC025	MGA94_51	247501	7374003	-90	0	48	7	13	6	17.783
JMRC026	MGA94_51	247597	7374003	-90	0	30	8	10	2	15.763
JMRC029	MGA94_51	247900	7373997	-90	0	36	12	14	2	14.969
JMRC030	MGA94_51	247997	7373999	-90	0	30	6	8	2	16.577
JMRC030	MGA94_51	247997	7373999	-90	0	30	11	14	3	14.407
JMRC031	MGA94_51	248098	7374000	-90	0	36	2	11	9	14.092
JMRC032	MGA94_51	248194	7373994	-90	0	36	11	14	3	14.046
JMRC036	MGA94_51	248599	7373602	-90	0	30	9	12	3	15.414
JMRC037	MGA94_51	247694	7373801	-90	0	36	0	4	4	16.751
JMRC038	MGA94_51	247804	7373806	-90	0	30	0	2	2	14.400
JMRC040	MGA94_51	247996	7373800	-90	0	30	12	15	3	14.885
JMRC041	MGA94_51	248101	7373801	-90	0	30	5	9	4	15.986
JMRC041	MGA94_51	248101	7373801	-90	0	30	11	13	2	15.705
JMRC042	MGA94_51	248196	7373801	-90	0	30	4	8	4	14.572
JMRC042	MGA94_51	248196	7373801	-90	0	30	10	12	2	14.040
JMRC043	MGA94_51	248298	7373804	-90	0	36	4	11	7	14.133
JMRC045	MGA94_51	248498	7373803	-90	0	36	23	25	2	15.086
JMRC046	MGA94_51	247504	7374192	-90	0	36	7	9	2	14.330
JMRC047	MGA94_51	247596	7374201	-90	0	30	5	12	7	15.016
JMRC048	MGA94_51	247699	7374193	-90	0	48	0	3	3	15.285
JMRC048	MGA94_51	247699	7374193	-90	0	48	4	9	5	14.599
JMRC049	MGA94_51	247798	7374196	-90	0	30	13	17	4	16.247
JMRC050	MGA94_51	247899	7374206	-90	0	30	5	7	2	14.640
JMRC051	MGA94_51	248001	7374204	-90	0	36	3	15	12	15.182
JMRC052	MGA94_51	248103	7374197	-90	0	30	12	15	3	14.020
JMRC053	MGA94_51	248196	7374204	-90	0	36	7	9	2	17.138
JMRC053	MGA94_51	248196	7374204	-90	0	36	10	12	2	14.330
JMRC054	MGA94_51	248299	7374203	-90	0	36	8	11	3	15.556
JMRC056	MGA94_51	247404	7374402	-90	0	30	7	9	2	16.266
JMRC057	MGA94_51	247500	7374398	-90	0	30	1	5	4	15.502
JMRC058	MGA94_51	247598	7374402	-90	0	30	1	5	4	17.971

Hole ID	Grid Id	Easting	Northing	Dip	Azi.	Total Depth	From (m)	To (m)	Interval (m)	Mn (%)	
JMRC059	MGA94_51	247704	7374402	-90	0	30	3	7	4	17.757	
JMRC060	MGA94_51	247800	7374402	-90	0	36	2	12	10	15.767	
JMRC061	MGA94_51	247898	7374401	-90	0	30	6	8	2	14.718	
JMRC062	MGA94_51	247996	7374402	-90	0	30	4	10	6	14.007	
JMRC064	MGA94_51	248196	7374400	-90	0	30	14	18	4	15.664	
JMRC065	MGA94_51	248296	7374402	-90	0	36	12	19	7	14.944	
JMRC066	MGA94_51	248394	7374401	-90	0	36	5	14	9	16.152	
JMRC066	MGA94_51	248394	7374401	-90	0	36	20	22	2	14.195	
JMRC067	MGA94_51	248489	7374402	-90	0	36	24	28	4	14.882	
JMRC070	MGA94_51	247802	7374602	-90	0	30	1	5	4	14.853	
							Including 1m @ 32.223%				
JMRC074	MGA94_51	248202	7374601	-90	0	36	8	13	5	14.152	
JMRC074	MGA94_51	248202	7374601	-90	0	36	26	30	4	15.114	
JMRC076	MGA94_51	248396	7374602	-90	0	36	11	15	4	16.121	
JMRC078	MGA94_51	248600	7374588	-90	0	36	12	14	2	14.272	
JMRC083	MGA94_51	247799	7374801	-90	0	36	2	9	7	15.190	
							Including 1m @ 30.132%				
JMRC084	MGA94_51	247898	7374802	-90	0	36	5	9	4	15.279	
JMRC084	MGA94_51	247898	7374802	-90	0	36	10	13	3	14.162	
JMRC085	MGA94_51	247997	7374801	-90	0	36	6	9	3	14.808	
JMRC085	MGA94_51	247997	7374801	-90	0	36	12	14	2	15.841	
JMRC086	MGA94_51	248099	7374803	-90	0	36	11	14	3	15.324	
JMRC087	MGA94_51	248197	7374802	-90	0	36	10	12	2	14.272	
							Including 1m @ 33.23%				
JMRC087	MGA94_51	248197	7374802	-90	0	36	14	19	5	17.351	
JMRC088	MGA94_51	248296	7374810	-90	0	30	6	8	2	15.182	
JMRC089	MGA94_51	248398	7374800	-90	0	30	22	27	5	14.718	
JMRC090	MGA94_51	248496	7374800	-90	0	30	20	23	3	14.885	
JMRC096	MGA94_51	248008	7375002	-90	0	36	14	19	5	14.438	
JMRC097	MGA94_51	248103	7374998	-90	0	30	13	15	2	14.466	
JMRC098	MGA94_51	248199	7375002	-90	0	36	6	8	2	15.705	
JMRC111	MGA94_51	248104	7375203	-90	0	30	3	6	3	14.782	
JMRC146	MGA94_51	247696	7373409	-90	0	30	4	10	6	15.137	
JMRC148	MGA94_51	247896	7373406	-90	0	24	11	13	2	14.098	
JMRC149	MGA94_51	247999	7373399	-90	0	30	9	13	4	14.688	
JMRC150	MGA94_51	248104	7373404	-90	0	36	9	21	12	14.669	
JMRC151	MGA94_51	248203	7373403	-90	0	36	8	13	5	14.451	
JMRC161	MGA94_51	247893	7373206	-90	0	24	18	20	2	14.543	
JMRC162	MGA94_51	248009	7373200	-90	0	30	18	21	3	14.136	
JMRC163	MGA94_51	248100	7373193	-90	0	42	11	14	3	14.188	
JMRC164	MGA94_51	248206	7373203	-90	0	30	9	12	3	15.337	
JMRC165	MGA94_51	248310	7373205	-90	0	36	4	14	10	14.946	
JMRC166	MGA94_51	248406	7373203	-90	0	30	0	6	6	14.705	

Hole ID	Grid Id	Easting	Northing	Dip	Azi.	Total Depth	From (m)	To (m)	Interval (m)	Mn (%)
JMRC167	MGA94_51	248503	7373203	-90	0	24	4	7	3	14.575
JMRC168	MGA94_51	248600	7373206	-90	0	24	6	10	4	25.562
							Including 1m @ 31.758%			
JMRC169	MGA94_51	248696	7373202	-90	0	18	9	11	2	15.725

*Reported intercepts were determined by using a minimum cut-off of 2 metres grading at an average of 14%Mn or greater, with no more than 2 metres of consecutive internal dilution.

Hannans Reward Ltd Summary

Hannans Reward Ltd has developed a suite of prospective exploration projects within Australia covering nickel, gold and manganese; whilst the flagship exploration is the Forrestania nickel project. Hannans is a shareholder of Atlas Iron Ltd. Hannans' shareholders are exposed to share price appreciation through exploration success at the following projects:

- Forrestania – nickel & gold project 7km north of Western Area's Flying Fox nickel mine, a portion of the Stormbreaker Prospect includes a Joint Venture with Cullen Resources Ltd (Hannans – 80%, Cullen – 20% free carry).
- Lake Johnston – nickel & gold project located 25km south east of Norilsk's Maggie Hays nickel mine and 100kms west of Norseman.
- Queen Victoria Rocks – nickel and gold project located 30km south-west of Coolgardie, WA.
- Jigalong – manganese & base metals project located 150km east of Newman, WA (proposed to be separated from the Hannans Group subject to shareholder approval).

Competent Persons Summary

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.

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