



HANNANS REWARD
Exploring for Gold and Base Metals

ASX Announcement / Media Release

1 August 2011

UNLISTED OPTIONS

Fast Facts

ASX Code: HNR

Capital Structure

Shares on issue: 131.6m

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

Market cap: \$24.35m (at 18.5c)

Financial Position (at end of Quarter)

Cash on hand: \$0.739m (Jun 2011)

Value of Equity Positions

and Convertible Notes: \$28.7m

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

Issue of Unlisted Options

In recognition of Hannans Reward Ltd's (ASX: HNR) ("Hannans" or "the Company") long-standing relationship with its East Pilbara partner, Jigalong Community Inc (JCI), the Company has issued JCI with 2 million 20 cent options exercisable on or before 30 June 2013.

The relationship between JCI and Hannans was originally detailed in the 2003 Memorandum of Understanding (MOU) as a standard exploration joint venture and was further reinforced by the signing of a landmark agreement with the custodians of the Jigalong Reserve in 2009 whereby Hannans through its wholly owned subsidiary Errawarra Pty Ltd was confirmed as having 100% legal and beneficial interest in the Jigalong Project, providing certainty of ownership for Hannans shareholders and future joint venture partners.

Hannans' Managing Director Damian Hicks said, "The Hannans-Jigalong Community relationship is very unique. Hannans' shareholders' exposure to the Jigalong Project is a direct result of a personal invitation extended by the former CEO of the Jigalong Community, Mr Cedric Wyatt to us back in mid 2003. Since then Hannans and JCI have been working together to unlock the value of the Jigalong Project for the benefit of both the Community and Hannans shareholders."

Lapse of Unlisted Options

The Company wishes to advise that 2,000,000 unlisted Options exercisable at \$0.20 per option expired unexercised on 31 July 2011.

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 located in the world class Forrestania nickel belt. 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.
- Jigalong – manganese & base metals project located 150km east of Newman, WA
- Queen Victoria Rocks - nickel and gold project located 30km south-west of Coolgardie, WA.

For further information please contact:

Damian Hicks

James Harris

Hannans Reward

Professional Public Relations

Tel: +61 8 9324 3388

Tel: +61 8 9388 0944

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

HANNANS REWARD LTD

ABN

52 099 862 129

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Unlisted Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | These options are exercisable at 20 cents each on or before 30 June 2013. |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No – the shares issued upon exercise will rank equally with existing ordinary shares.</p>							
<p>5 Issue price or consideration</p>	<p>Nil</p>							
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued to recognise the good faith shown by the Jigalong Community to Hannans in relation to Hannans' activities in the East Pilbara</p>							
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>1 August 2011</p>							
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="695 1178 994 1211">Number</th> <th data-bbox="994 1178 1283 1211">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1211 994 1395">131,648,715</td> <td data-bbox="994 1211 1283 1395">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	131,648,715	Fully paid ordinary shares	<table border="1"> <thead> <tr> <th data-bbox="994 1178 1283 1211">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="994 1211 1283 1395">Fully paid ordinary shares</td> </tr> </tbody> </table>	+Class	Fully paid ordinary shares
Number	+Class							
131,648,715	Fully paid ordinary shares							
+Class								
Fully paid ordinary shares								

	Number	+Class
9		Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)
	1,000,000	Options exercisable at \$0.80 each on or before 30 June 2012
	100,000	Options exercisable at \$0.40 each on or before 30 June 2012
	1,000,000	Options exercisable at \$0.80 each on or before 30 June 2013
	300,000	Options exercisable at 20 cents each on or before 20 July 2013
	300,000	Options exercisable at 75 cents each on or before 20 July 2013
	300,000	Options exercisable at \$1.00 each on or before 20 July 2013
	2,000,000	Options exercisable at \$0.20 each on or before 30 June 2013
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue – N/A

- 11 Is security holder approval required?
- 12 Is the issue renounceable or non-renounceable?
- 13 Ratio in which the +securities will be offered
- 14 +Class of +securities to which the offer relates
- 15 +Record date to determine entitlements
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders

- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or

+ See chapter 19 for defined terms.

documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

 If the additional securities do not rank equally, please state:
 • the date from which they do
 • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
-
- 41 Reason for request for quotation now

 Example: In the case of restricted securities, end of restriction period

 (if issued upon conversion of another security, clearly identify that other security)
- | | |
|--------|--------|
| | |
| Number | +Class |
| | |
- 42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Michael Craig
Company Secretary
1 August 2011

====

+ See chapter 19 for defined terms.