

# Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

HANNANS REWARD LTD

ABN

52 099 862 129

Quarter ended ("current quarter")

30 JUNE 2013

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(984) - - (442)	(4,293) - - (2,178) <sup>(6)</sup>
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	13	57
1.5 Interest and other costs of finance paid	(9)	(83)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(1,422)</b>	<b>(6,497)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (3)	- - (14)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - 68	- 6,077 <sup>(7)</sup> 68
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	(22)	133
<b>Net investing cash flows</b>	<b>43</b>	<b>6,264</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,379)</b>	<b>(233)</b>

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(1,379)	(233)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	300	4,541
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(154)	(2,415)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(31)	(256)
	<b>Net financing cash flows</b>	115	1,870
	<b>Net increase (decrease) in cash held</b>	(1,264)	1,637
1.20	Cash at beginning of quarter/year to date	3,310	408
1.21	Exchange rate adjustments to item 1.20	3	4
1.22	<b>Cash at end of quarter</b>	2,049	2,049

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	54
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 – Payment of executive and non-executive director’s fees.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	100 <sup>(8)</sup>	100 <sup>(8)</sup>
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	775
4.2 Development	-
4.3 Production	-
4.4 Administration	
-Corporate Administration	357
-Loan Repayment	102
<b>Total</b>	<b>1,234</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,049	3,310
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,049</b>	<b>3,310</b>

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### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	E52/2516	Surrendered	100%	0%
	E52/2695	Surrendered	100%	0%
	E77/1934	Surrendered	100%	0%
	E77/1959	Surrendered	100%	0%
	P63/1664	Surrendered	100%	0%
	Luppovare nr 3	Surrendered	100%	0%
	Pattok nr 1010	Surrendered	100%	0%
	Rakkarijarvi nr 1	Transferred	100%	0%
6.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil	Nil	Nil	Nil

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> (description)	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	721,966,133	721,966,133	-	-
7.4 Changes during quarter				
(a) Increases through issues	15,000,000	15,000,000	\$0.02	\$0.02
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 <b>+Convertible debt securities</b> (description)	-	-	-	-

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	<b>Options</b> (description and conversion factor)	300,000	-	<i>Exercise price</i> 7 cents	<i>Expiry date</i> 15 September 2013
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	1,000,000 2,000,000 1,200,000 900,000 900,000	-	80 cents 20 cents 8 cents 17 cents 25 cents	30 June 2013 30 June 2013 30 June 2013 30 June 2013 30 June 2013
7.11	<b>Debentures</b> (totals only)	-	-		
7.12	<b>Unsecured notes</b> (totals only)				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Damian Hicks  
Director

31 July 2013

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## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.
- 6 'Payments for Administration' includes the following transaction costs:

	Current quarter \$A'000	Year to date (12 months) \$A'000
Transaction Costs relating to the off market takeover of Scandinavian Resources Ltd	0	376
Legal fees paid on behalf of wholly owned subsidiary Kiruna Iron AB incurred in relation to the proposed IPO of the subsidiary on AIM during 2012	0	70
<b>Total</b>	<b>0</b>	<b>446</b>

- 7 The balance of the shares held in Atlas Iron (ASX:AGO) shares were sold during October 2012.
- 8 Full details of the loan terms and conditions are available at note 18 in Hannans Reward 2012 Annual Report.

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