



HANNANS REWARD

ASX ANNOUNCEMENT & MEDIA RELEASE

Hannans Reward | 4th Quarter Activities Report 2010/2011

4th Quarter Activities Report

Fast Facts

ASX Code: HNR

Capital Structure

Shares on issue: 131.6m

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

Market cap: \$26.32m (at 20c)

Financial Position

(at end of Quarter)

Cash on hand: \$0.739m

Value of Equity Positions and

Convertible Notes: \$28.7m

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

HANNANS REWARD

Our Exploration Team completed a substantial amount of preparatory field work and permitting during Q2 2011 and is now ready to test gold, nickel, manganese and iron targets with RC and diamond drilling during Q3 and Q4. Direct exploration cash expenditure during the Q was \$0.9M. The Exploration Manager has set out the work completed during Q2 2011 in his report that follows.

In August 2011 we'll commence RC drill testing a number of deep nickel sulphides targets at the Forrestania Project. These have been generated after a detailed study of the projects geology, geochemistry and geophysical data sets. Shortly thereafter we'll commence a comprehensive RC drill program aimed at identifying high grade gold and nickel sulphides at Lake Johnston. We're particularly excited about the gold drilling because the targets are robust and the gold price is high. Any gold exploration success at Lake Johnston should result in an immediate re-rating of the share price. The opportunity to put together the Company's first mineral resource is likely to come from an RC and diamond drill program planned for manganese at the Jigalong Project late in Q3 or early Q4. An exploration budget of \$4.5M has been set aside for the balance of 2011.

During the Q it was announced that Hannans' iron and manganese projects would be developed within a new company owned 100% by existing Hannans shareholders. The Record Date for determining entitlement to the 'spin out' has been amended, as required by ASX, to a date to be fixed after consideration of the matter by shareholders. All details will be contained in a Notice of Meeting to be lodged in August 2011.

HANNANS INVESTMENT MANAGEMENT

At the end of the Q the equity and convertible loan portfolio was worth approximately \$28.7M and the cash at bank \$0.7M. No material purchases or sales of listed or unlisted equities took place during the Q. The equity portfolio will be sold down as and when required to fund exploration and working capital.

CORPORATE BOARD SERVICES (CBS)

The CBS Team lodged its first IPO during the Q.

Office address:

Ground Floor, 28 Ord Street,
West Perth WA

Postal: PO Box 1227, West Perth WA 6872

t: +61 8 9324 3388

f: +61 8 9324 3366

e: admin@hannansreward.com

t: www.hannansreward.com

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 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

- § Auger sampling was completed at Stormbreaker North to test an interpreted ultramafic unit on tenements M77/812 and M77/693, assays received to date have outlined an ultramafic unit on the tenements, all assays will be received and processed during the coming quarter.
- § Surface TEM was completed over the central ultramafic unit; the survey was targeting anomalous rock chip samples (Ni plus Cu) over a magnetic high feature. The survey has outlined a weakly conductive body in the footwall of the magnetic high feature (ultramafic unit).
- § Aircore drilling commenced at the Lucy Rocks prospect area on tenement E77/1568, the drilling is targeting a large linear magnetic high feature which extends for ~20 km's along strike and is interpreted to be related to greenstone lithologies. A total of 23 holes were completed for 793 metres, assays results are pending.
- § Mapping and rock chip sampling continued at Stormbreaker and Skeleton Rocks, the exercise has helped to confirm the extent of the haematite rich iron mineralisation and plan future RC percussion drilling.
- § 52 rock chip samples were collected from Stormbreaker, Skeleton Rocks and Lucy Rocks, the samples were assayed for Fe using the XRF technique, 17 of the samples returned values in excess of 50% Fe, and 2 samples returned values in excess of 60% Fe.

LAKE JOHNSTON PROJECT

- § Infill soil sampling has been completed at the Mt. Gordon prospect. Four discrete high priority gold anomalies and two nickel anomalies have been delineated.
- § RC drilling has been designed to test four gold anomalies and one nickel anomaly; approximately 60 holes will be completed for a total of ~6,500 metres.
- § Drilling is planned for the 3rd quarter 2011.

QUEEN VICTORIA ROCKS PROJECT

- § Surface TEM was completed over the Spargos prospect area, a total of 15 line km's of fixed loop TEM (FLEM) were completed over the interpreted basal contact position.
- § The survey data has been processed and shows a linear conductive body adjacent to the interpreted basal contact position. A portion of the conductor in the south-east region appears to have higher conductance, the area warrants further investigation and validation.

JIGALONG PROJECT

- § Manganese targeting fieldwork recently completed over the Jigalong project area. Significant extensions to Mn mineralisation identified at existing Hill 616 prospect.
- § A combined RC & Diamond drilling program has been designed to test extensions of mineralisation at the Hill 616 prospect and to collect metallurgical test work samples.
- § New high priority Mn target identified at Dead Camel prospect.
- § RC drilling program currently being designed to test Dead Camel prospect within the current field season. RC & Diamond drilling program planned for the month of September.
- § Orientation soil sampling program also completed over Mundaroo Zinc prospect.

ONGOING EXPLORATION ACTIVITIES

- § POW has been submitted for the next round of nickel drilling at Forrestania, expected commencement date is August 2011.
- § POW has been submitted for the manganese drilling at Jigalong, expected commencement date is September 2011.
- § RC drilling to commence at Mt Gordon – Lake Johnston Project during 3rd quarter 2011.
- § Auger sampling at Stormbreaker Nth (Forrestania Project) to be completed during the coming quarter.
- § Surface TEM to be completed at Maggie Hayes South (Lake Johnston Project) during the coming quarter.

FORRESTANIA PROJECT

Known nickel sulphide mineralisation within the Forrestania Belt occurs in a variety of geological settings above and below BIF horizons, as well as on mafic (Digger Rocks and Cosmic Boy) and felsic (Flying Fox, Spotted Quoll, Beautiful Sunday) substrates.

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.

It is considered by Hannans that the stratigraphy within its tenement package has similar characteristics to areas that hosts nickel sulphide deposits and occurrences elsewhere within 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
Aircore Drilling	23 holes for 793 metres
RC Percussion Drilling	2 holes for 145 metres
Down-hole EM	Nil
Surface EM	10 line km's of FLEM
Geochemical Sampling	1,471 auger samples 31 rock chip samples 18 drill spoil samples 35 portable XRF readings

STORMBREAKER PROSPECT AREA

Exploration activities for the quarter included, auger sampling, mapping and rock chip sampling (Figure 1).

The auger sampling was completed at Stormbreaker North, a total of 1,471 samples were collected during the quarter (Figure 1). Assays have been received for the southern half of the program; the data has confirmed the presence of an ultramafic or komatiitic unit in the area. The data will be processed and interpreted when all assays have been received.

Flora surveys were completed at Stormbreaker West and a POW application was submitted to the DMP. The drilling will be targeting interpreted ultramafic lithologies and surface TEM conductor (Figure 2).

The mapping has helped to confirm the extent of the haematitic iron rich material in the area and plan the follow up RC percussion drilling. The mapping was carried out over two parallel BIF units which cover a strike extent of 5.4 km's. A total of 36 rock chip samples were collected and assayed at ALS Chemex laboratories using the XRF technique. 12 samples returned values in excess of 50% Fe and 2 samples returned values in excess of 60% Fe, the best assay returned a grade of 63% Fe.

RC drilling has been planned to follow up the iron rich rock chip samples and the intersection from FSRC035 (35m @ 47.6% Fe) reported in the last quarterly report. A total of 30 to 40 holes will be drilled on wide spaced traverses to better define the distribution of the hematite rich iron material above the BIF units (Figure 3).

LUCY ROCKS PROSPECT AREA

Aircore drilling has commenced at Lucy Rocks, the drilling is targeting a long linear magnetic high feature which has been interpreted to be greenstone. The drilling will determine if there is greenstone in the area.

The drilling program was switched to RC percussion to gain better depth penetration with the holes. Two holes were completed for 145 metres. The drilling will be completed during the coming quarter.

Rock chip sampling and mapping was carried out at the Beautiful Sunday West prospect, the sampling was undertaken to help determine the extent of the BIF outcrop and haematite rich iron material in the area. A total of 5 samples were collected with the best assay returned a grade of 53.1% Fe.

SKELETON ROCKS PROSPECT AREA

Additional field mapping and rock chip sampling was completed at Skeleton Rocks with the objective of further defining the iron prospects in the area. A total of 10 rock chip samples were collected, four samples returned grades in excess of 50% Fe, and the best sample returned a grade of 57.7% Fe.

FORRESTANIA PROJECT (cont.)

ONGOING EXPLORATION ACTIVITIES

- § RC percussion drilling expected to commence during August – September at Stormbreaker West targeting Ni sulphides.
- § A permit is required to remove priority plants at Stormbreaker for the iron RC percussion drilling; the permit will be submitted during July 2011.
- § Auger sampling at Stormbreaker and Skeleton Rocks to be completed.
- § Field reconnaissance required at Skeleton Rocks.

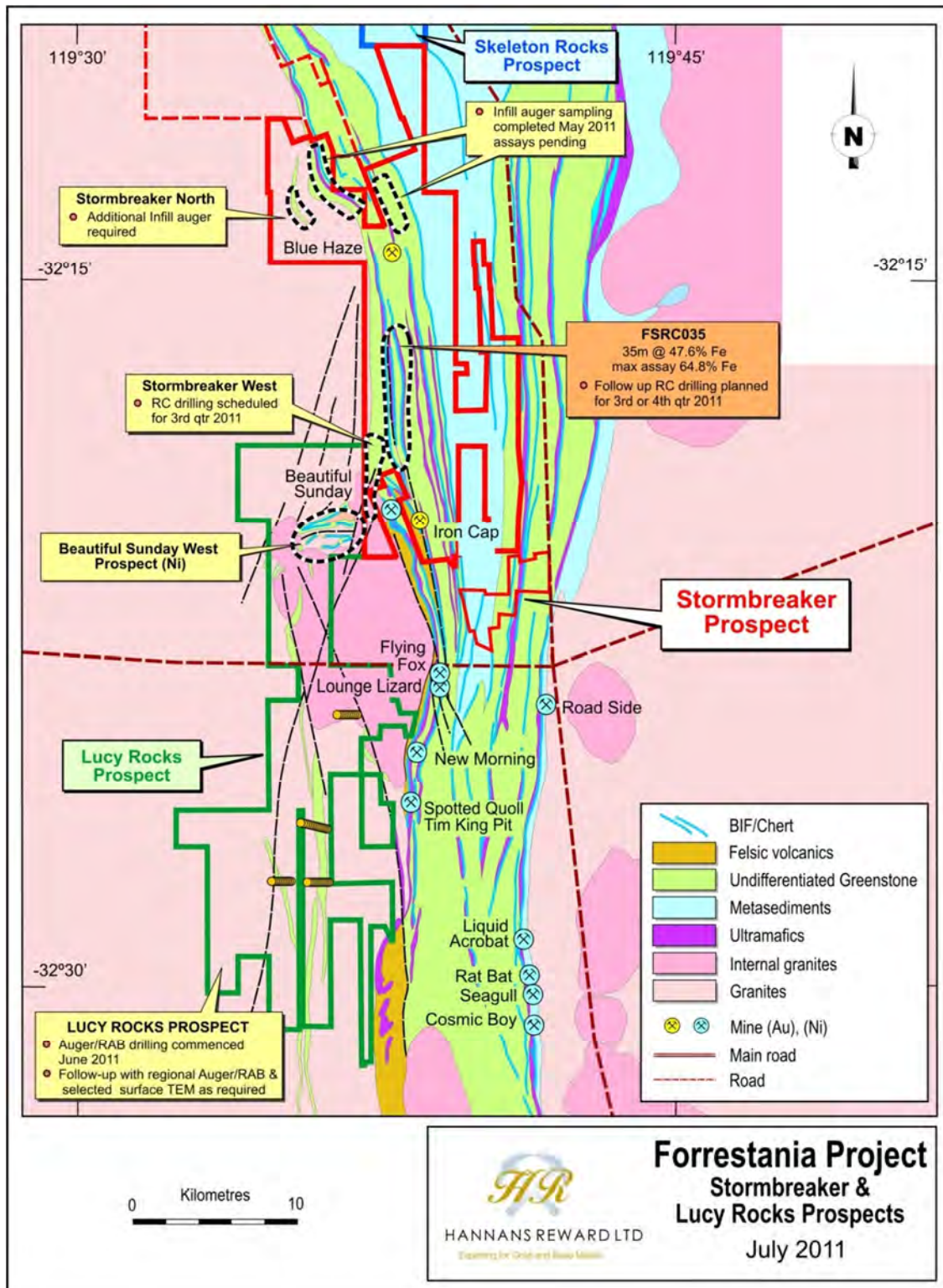


Figure 1. Leasing diagram showing the Stormbreaker and Lucy Rocks prospect areas.

FORRESTANIA PROJECT (cont.)

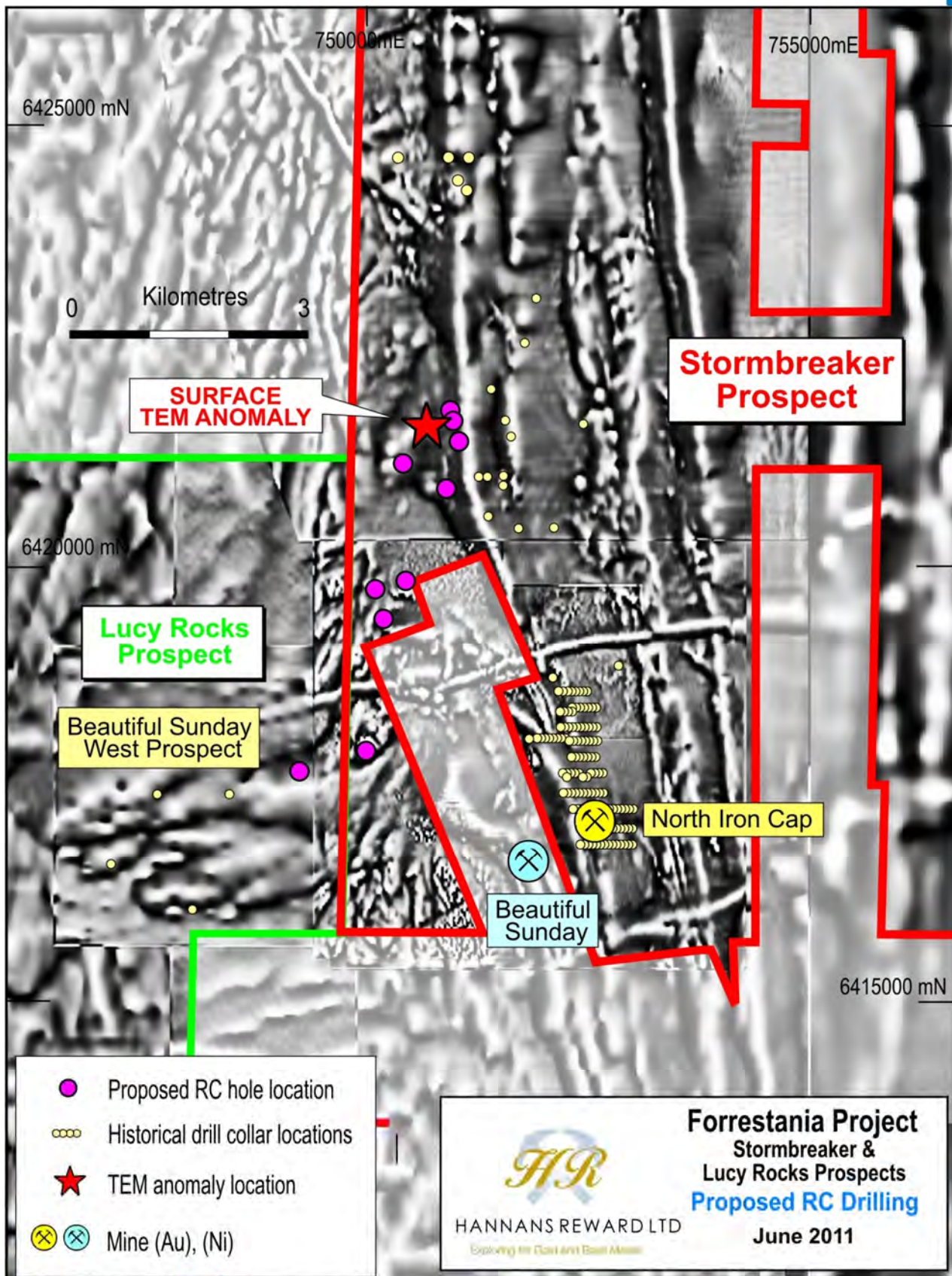


Figure 2. Stormbreaker West showing proposed RC drill collars and surface TEM anomaly targeting nickel mineralisation

FORRESTANIA PROJECT (cont.)

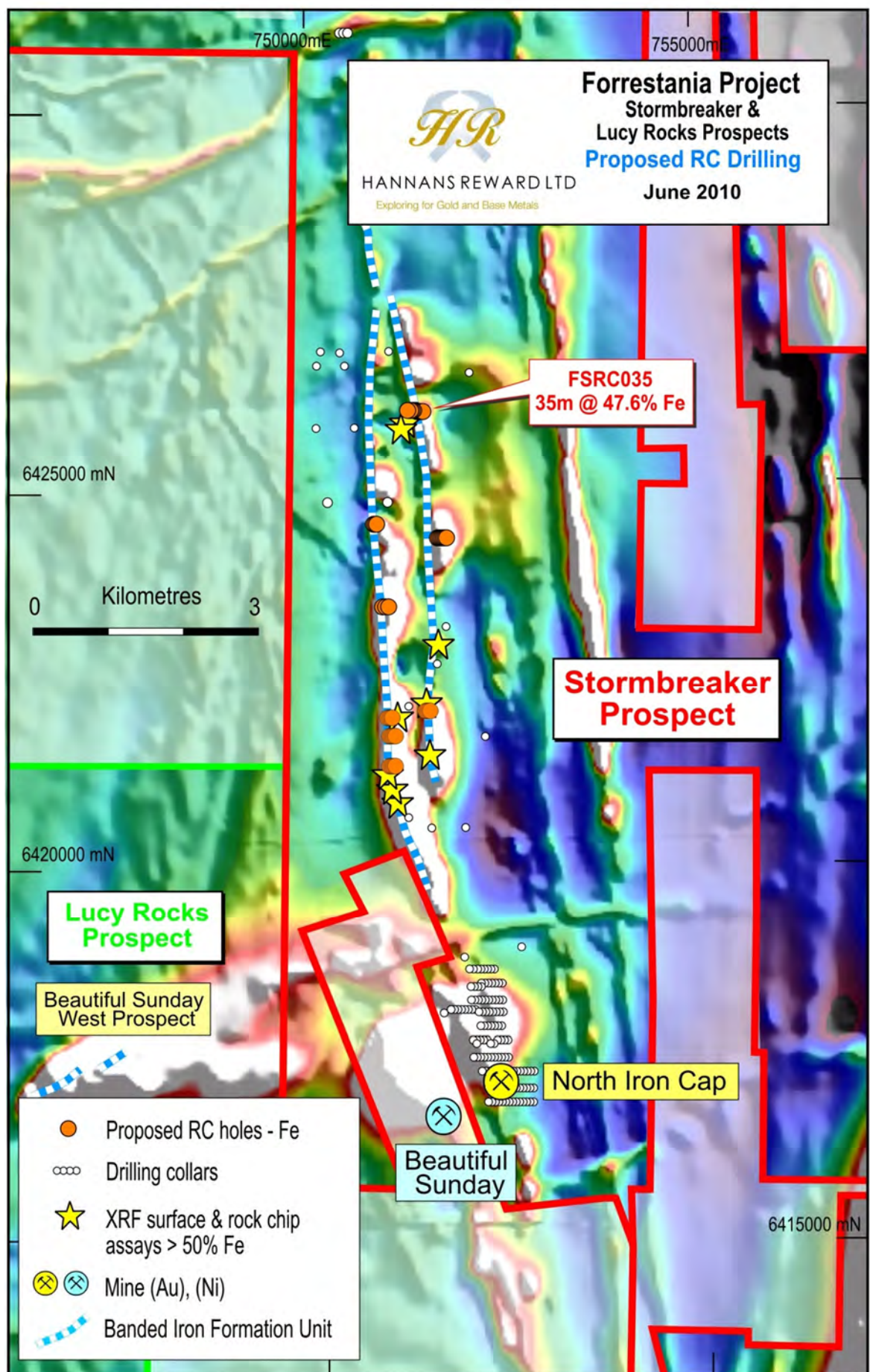


Figure 3. Stormbreaker iron sampling and proposed RC drilling collars.

LAKE JOHNSTON PROJECT

Hannans have put together a tenement portfolio at Lake Johnston which covers ~30 km's of greenstone stratigraphy (Figure 4). 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 an infill soil sampling program at the Mt Gordon prospect (Figure 4).

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

ACTIVITY	LAKE JOHNSTON SUMMARY
RC Percussion Drilling	Nil
Down-hole EM	Nil
Surface EM	Nil
Gravity	Nil
Geochemical Sampling	3,004 soil samples

MT GORDON PROSPECT (E63/1365)

Hannans Reward Ltd has recently completed an infill soil sampling program within the Mt. Gordon area of its wholly owned Lake Johnston tenement package (Figure 4). The results from the sampling are very encouraging and have delineated numerous zones of **anomalous gold and nickel** with soil samples grading as high as **266 ppb Au and 613 ppm Ni**. Bedrock drilling in the area to date is very limited and includes only eight RC percussion holes over the entire prospect area. The best anomaly (Edward Prospect) extends for ~600 metres along strike and has not been drill tested (Figure 5).

RC drilling has been planned to test the highest priority target areas which includes the Edward, William, Richard and Charles anomalies; RC drilling has also been planned to test the highest priority nickel anomaly to the south-east. A total of 6,500 metres of RC drilling has been planned to test these new targets, it is anticipated that the drilling will commence in late August or September once all approvals have been received.

The results of this soil sampling program have been incorporated into the HNR database. The data is being utilised in conjunction with existing geophysical data for a detailed geological interpretation of the area. The interpretation has indicated that the gold mineralisation has a strong association with NNW trending structures intersecting felsic intrusive lithologies.

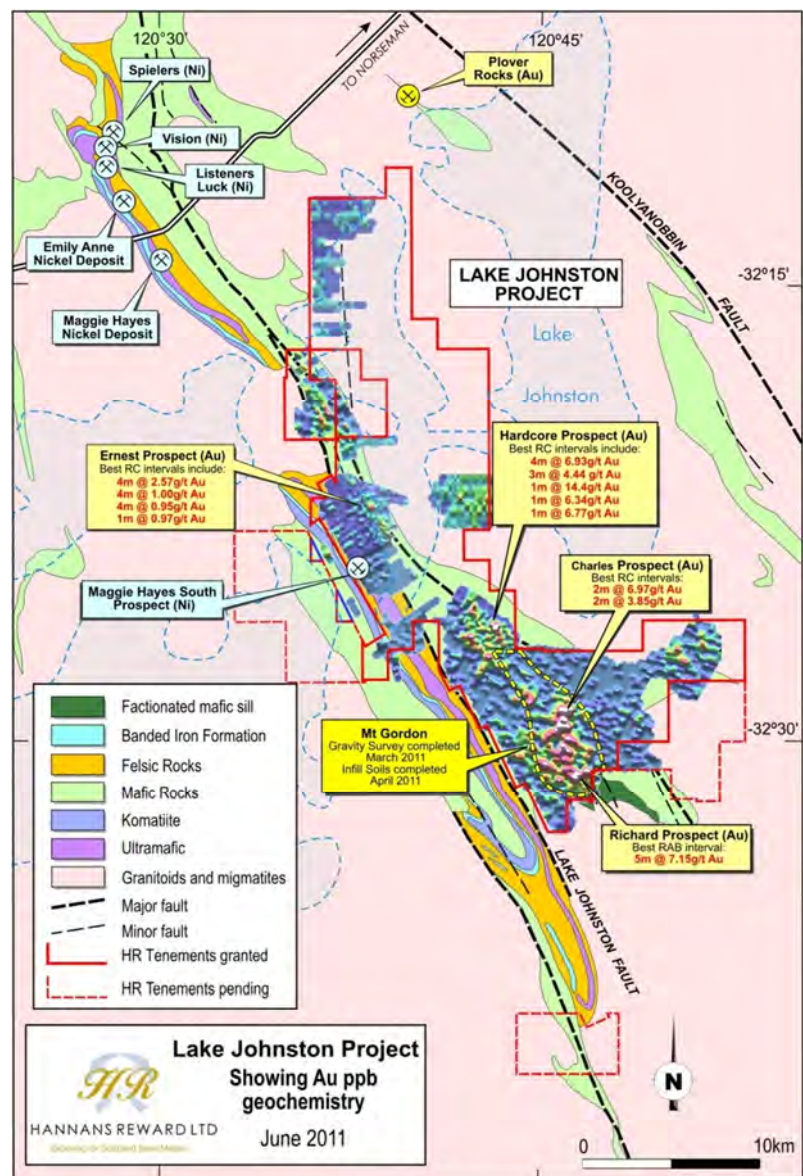


Figure 4. Lake Johnston Leasing Diagram showing regional geology, prospect locations and Au ppb geochemistry image.

LAKE JOHNSTON PROJECT (cont.)

ONGOING EXPLORATION ACTIVITIES

- § RC percussion drilling during the 3rd quarter.
- § Plan and implement surface TEM over the southern portion of Maggie Hayes South for nickel sulphide exploration.
- § Finalise geological interpretation and targeting for Au mineralisation over the project area.

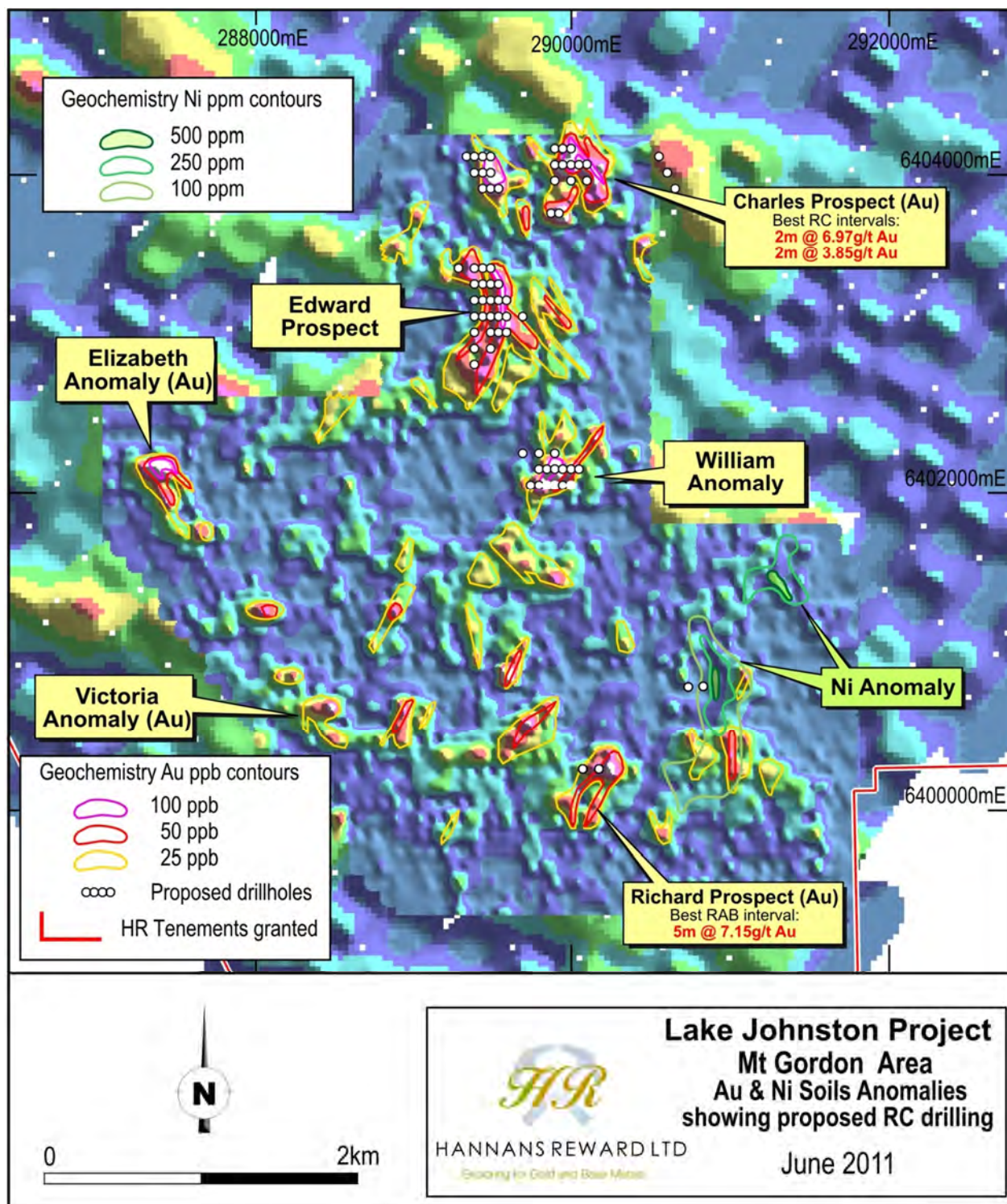


Figure 5. Mt Gordon Prospect area showing Au ppb infill soil sampling anomalies and prospect locations

QUEEN VICTORIA ROCKS (QVR) PROJECT

Exploration for the quarter has included a surface TEM survey at the Spargos prospect (Figure 6).

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

ACTIVITY	QVR SUMMARY
RC Percussion Drilling	Nil
Down-hole EM	Nil
Surface EM	15 line km's of FLEM
Geochemical Sampling	Nil

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

The surface TEM coverage at the Spargos Prospect has been reviewed, the review determined that the coverage or effectiveness of the surveys over the priority basal contact position were inadequate.

A new survey was designed and completed during the quarter. Two large fixed loops were designed and completed to test the basal contact position for a total of 15 line km's.

The surveys have detected linear conductive bodies proximal to the basal contact position (Figure 7); the most conductive portion of the anomaly is located in the south-east part of the prospect area (Figure 8).

Further interpretation of the geology and TEM data is required to better define the drill targets in the area.

ONGOING EXPLORATION ACTIVITIES

- § Re-logging and XRF analysis of historical diamond drill core at Spargos.
- § Field check outstanding surface TEM anomalies at Spargos North.
- § Geological interpretation at Benari and northern tenements.

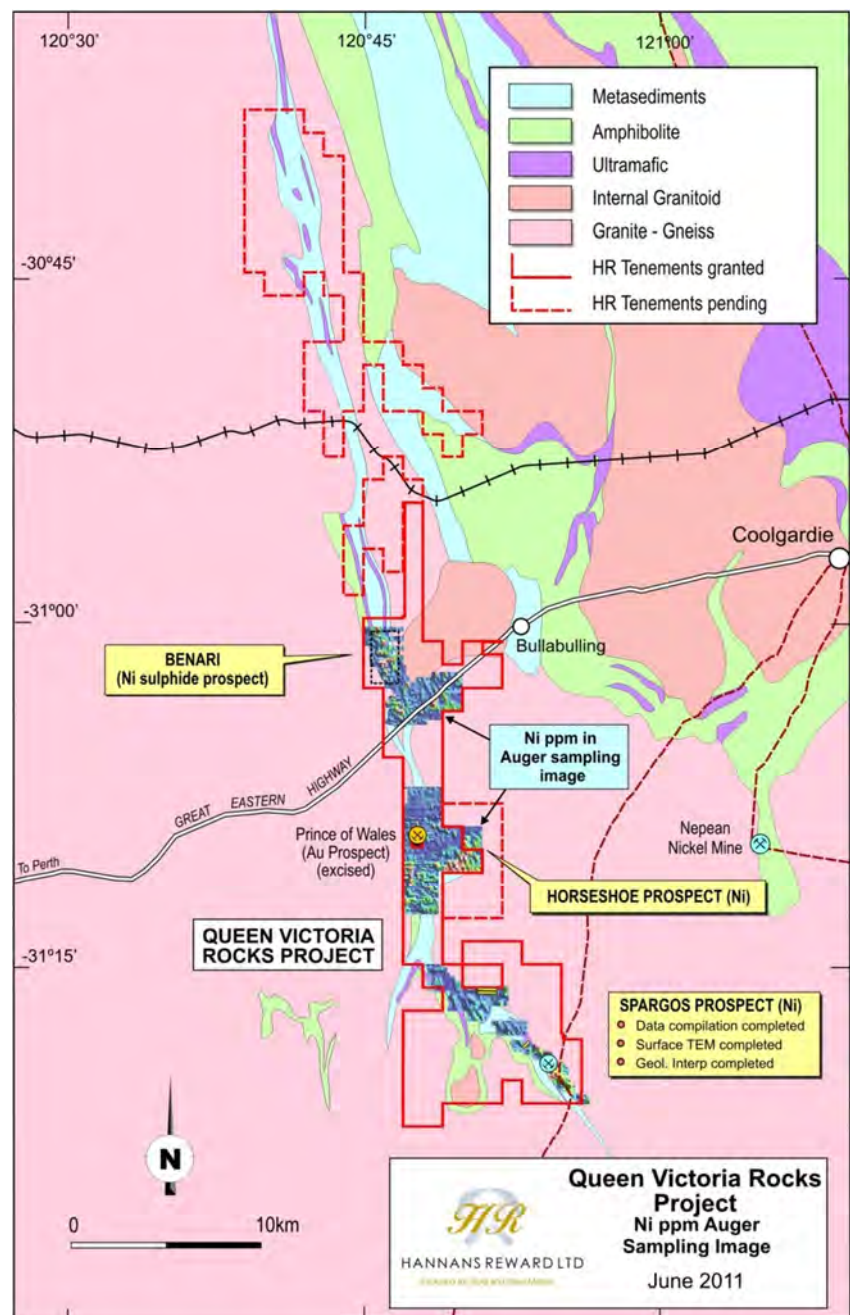


Figure 6.
Hannans Reward Ltd
Queen Victoria Rocks Project.

QUEEN VICTORIA ROCKS (QVR) PROJECT (cont.)

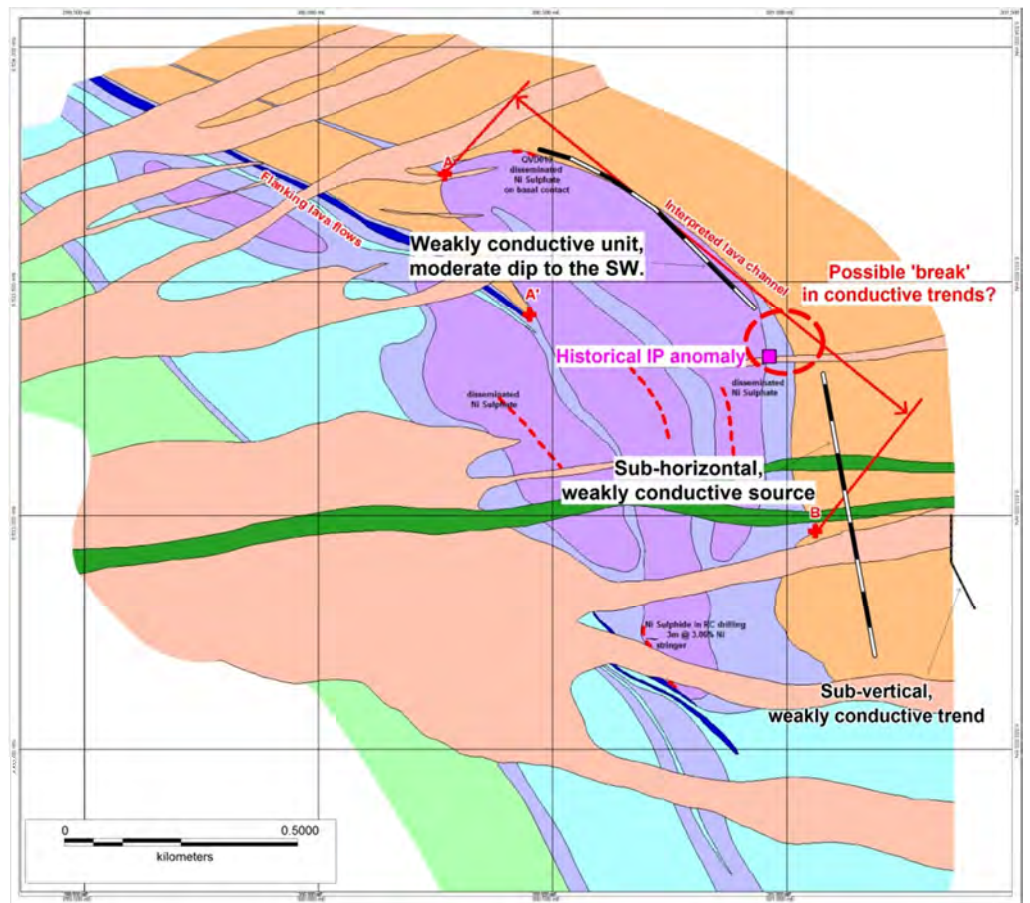


Figure 7.
Queen Victoria
Rocks Project –
Spargos
Prospect
showing TEM
conductors.

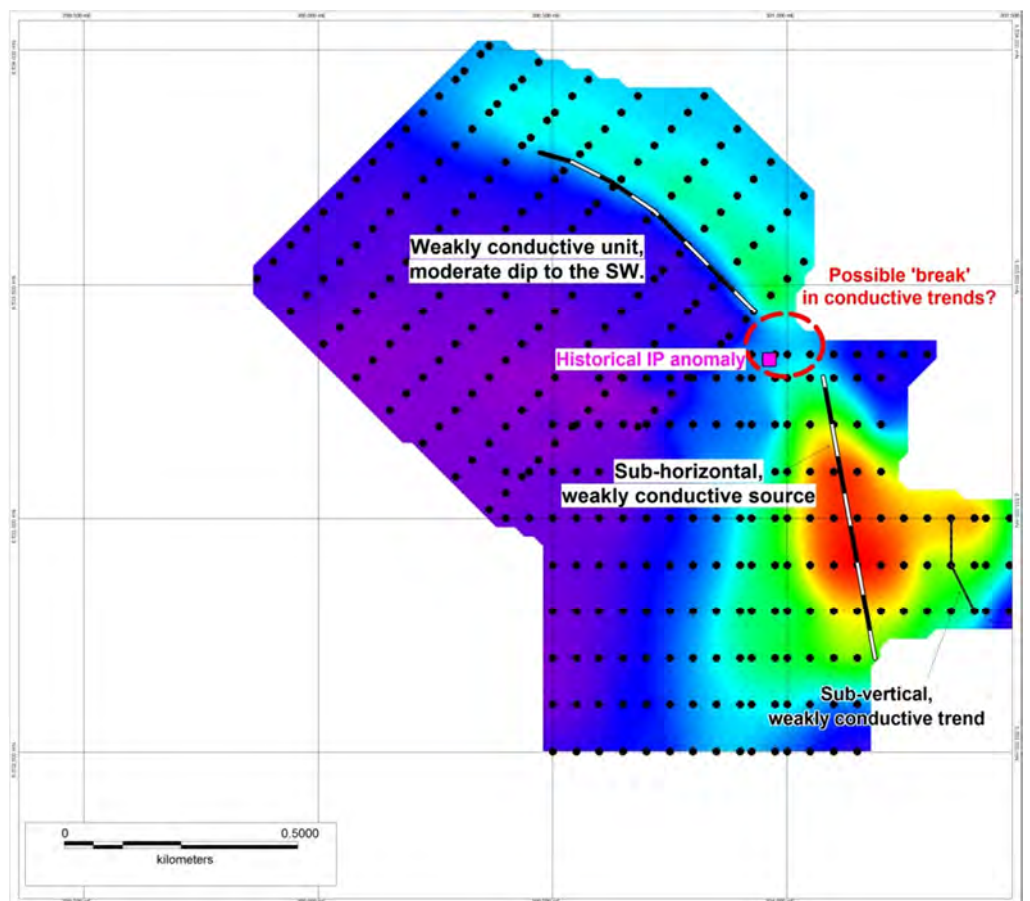


Figure 8.
Queen Victoria
Rocks Project –
Spargos
Prospect
showing TEM
conductors and
conductance
image.

JIGALONG PROJECT

Experienced Manganese (Mn) consultant, Dr Joe Drake-Brockman and HNR staff recently completed extensive fieldwork over the 3000km² Jigalong project area in the south-east Pilbara. The core activities carried out over the visit included field checking aerial Mn targets, detailed geological mapping and rock chip sampling of surface Mn occurrences. As a result of this fieldwork, the Dead Camel prospect (Figure 9) has been identified as a new high priority drill target. Significant extensions to Mn mineralisation have also been mapped at the existing Hill 616 prospect and these zones will also be the subject of testing in the next phase of drilling in the area.

An infill soil sampling program was also conducted at the Mundaroo Zinc prospect (Figure 9) as part of the recent fieldwork that was designed to cover an area highly prospective for Base Metals. Shallow, broad spaced AC drilling conducted over the prospect in 2009 returned values as high as 1.6% Zn and 25g/t Ag with many of the holes ending in mineralization. The 85 samples taken during the program have now been sent to ALS laboratories for assaying and results are expected over the July-August period. The results will then be used in conjunction with existing project data to determine the best approach for future Base metals exploration at the prospect and over the broader project area.

A combined +4500 metre RC and Diamond drilling program is currently being designed to test the new Mn targets at the Hill 616 and Dead Camel prospects. Hill 616 will be tested initially with a planned 163 RC holes for a total 4890 metres. A further 12 Diamond holes will be drilled at Hill 616 for a total 360 metres, with the resulting core to be used for metallurgical test work purposes. HNR plan to begin this next phase of drilling at Hill 616 in the month of September, subject to approval. Details for the RC drilling at Dead Camel have not yet been finalized, but are being planned to go ahead within the current field season (November close).

ONGOING EXPLORATION ACTIVITIES

- § RC drilling at Hill 616 during 3rd quarter 2011
- § Plan drilling program for the Dead Camel manganese prospect.
- § Process and interpret soil sampling data from Mundaroo Zinc prospect.
- § Field mapping over manganese prospects within the northern tenements.

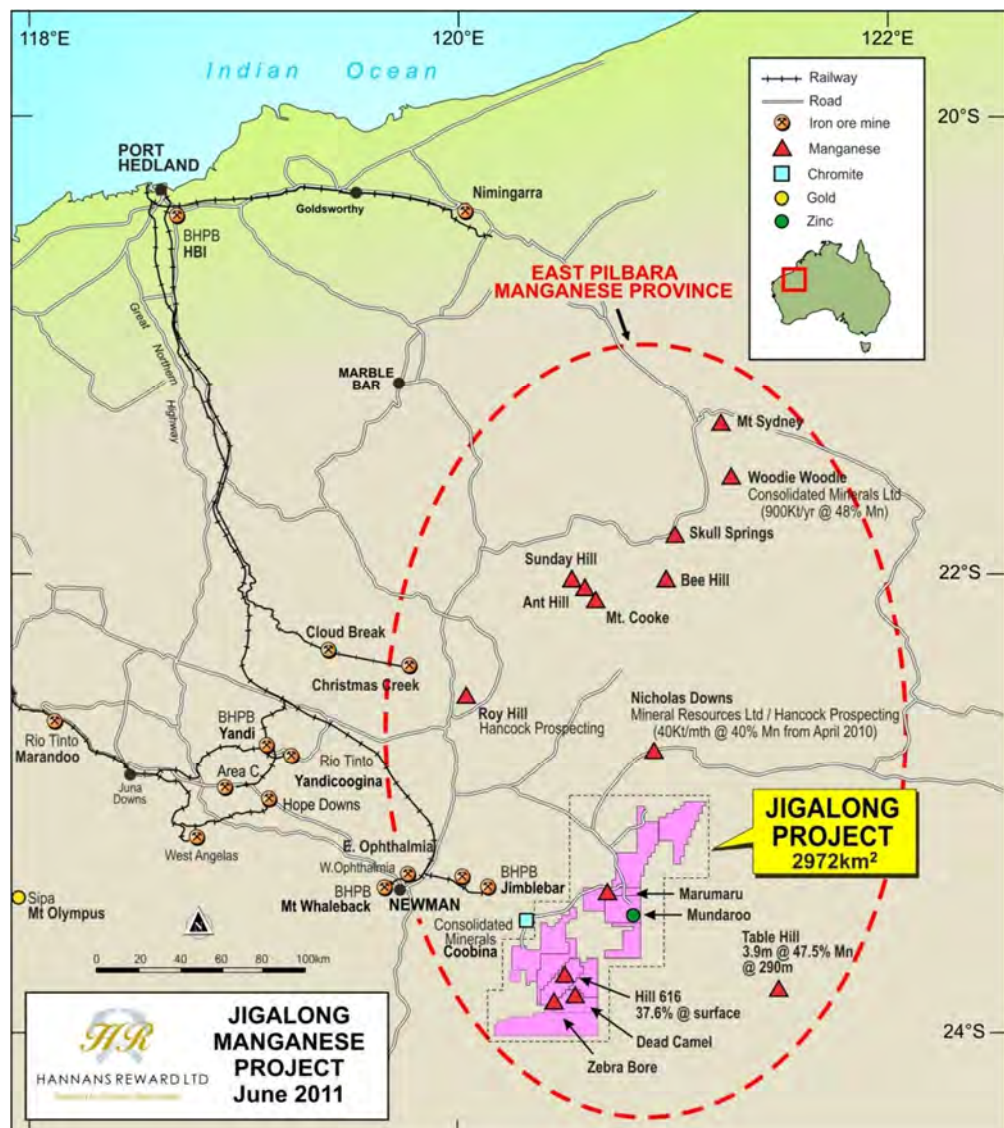


Figure 9.
Jigalong Project
tenements showing
regional manganese
deposits and occurrences.

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	Positive Results	Outstanding Activities from Previous Qtr	Schedule Coming Qtr
SKELETON ROCKS PROSPECT (Ni + Au)				
<ul style="list-style-type: none"> § Auger sampling over ultramafic unit and gold targets 3rd Qtr 2011. § Geological interpretation to be completed during 3rd qtr 2011. 	<ul style="list-style-type: none"> § Ongoing field reconnaissance, rock chip sampling and XRF readings taken from selected Fe target areas. § New tenement applications, komatiitic lithologies identified in historical aircore drilling. 	<ul style="list-style-type: none"> § Rock chip samples returned readings § XRF readings collected with values >50% Fe, max reading is 60% Fe. 	Nil.	<ul style="list-style-type: none"> § Further field reconnaissance, mapping and sampling. § Auger sampling over Au and Ni targets.
STORMBREAKER PROSPECT (Ni)				
<ul style="list-style-type: none"> § RC drilling at Stormbreaker West to commence 2nd or 3rd Qtr 2011. § Infill auger sampling at Stormbreaker NW to commence 2nd Qtr 2011. 	<ul style="list-style-type: none"> § Flora Surveys completed at Stormbreaker West, POW submitted during June. § Mapping completed over Fe targets. § Flora surveys completed over Fe targets. § Auger sampling at Stormbreaker Nth completed. § Surface TEM completed over central ultramafic magnetic high and anomalous geochemistry. 	<ul style="list-style-type: none"> § No permits required for the next round of RC percussion drilling. § Ultramafic/komatiitic lithologies confirmed at Stormbreaker Nth. § Weak TEM anomaly identified adjacent to central ultramafic magnetic high. § Extensive haematitic iron material identified at Stormbreaker, best rock chip sample is 63% Fe. 	Nil.	<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.
LUCY ROCKS PROSPECT (Ni)				
<ul style="list-style-type: none"> § RAB drilling to commence April/May 2011. § RC drilling to commence 2nd or 3rd Qtr 2011. 	<ul style="list-style-type: none"> § Detailed mapping at Beautiful Sunday West. § Flora survey completed at BSW, POW submitted during June. § Aircore drilling commenced early June at Lucy Rocks South, to be completed during June or early July. 	<ul style="list-style-type: none"> § Drilling expected to commence during August 2011. 	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	Positive Results	Outstanding Activities from Previous Qtr	Schedule Coming Qtr
BENARI PROSPECT (Ni)				
<ul style="list-style-type: none"> § Geological interpretation to be completed 2nd Qtr 2011. § Aircore drilling to commence 4th Qtr 2011. 	<ul style="list-style-type: none"> § Commenced historical data reviews on northern tenements. 	Nil.	<ul style="list-style-type: none"> § Geological interpretation. 	<ul style="list-style-type: none"> § Geological interpretation at Benari and further north. § Historical data reviews on northern tenements.
HORSESHOE PROSPECT (Ni)				
Nil.	Nil.	Nil.	Nil.	Nil.
SPARGOS NORTH (Ni)				
<ul style="list-style-type: none"> § Field checking and mapping to be completed during 2nd Qtr 2011. 	Nil.	Nil.	<ul style="list-style-type: none"> § Field checking and mapping. 	<ul style="list-style-type: none"> § Field reconnaissance and mapping.
SPARGOS PROSPECT (Ni)				
<ul style="list-style-type: none"> § Re-logging to be completed during 2nd Qtr 2011. § Surface TEM to be completed during 2nd Qtr 2011. § Diamond drilling to commence during 3rd Qtr 2011. 	<ul style="list-style-type: none"> § Surface TEM completed. 	<ul style="list-style-type: none"> § Interpretation of the surface TEM at Spargos is complete; conductors have been detected in proximity to the interpreted basal contact position. 	<ul style="list-style-type: none"> § Diamond core re-logging. 	<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.
SPARGOS SOUTH (Ni)				
Nil.	Nil.	Nil.	Nil.	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)

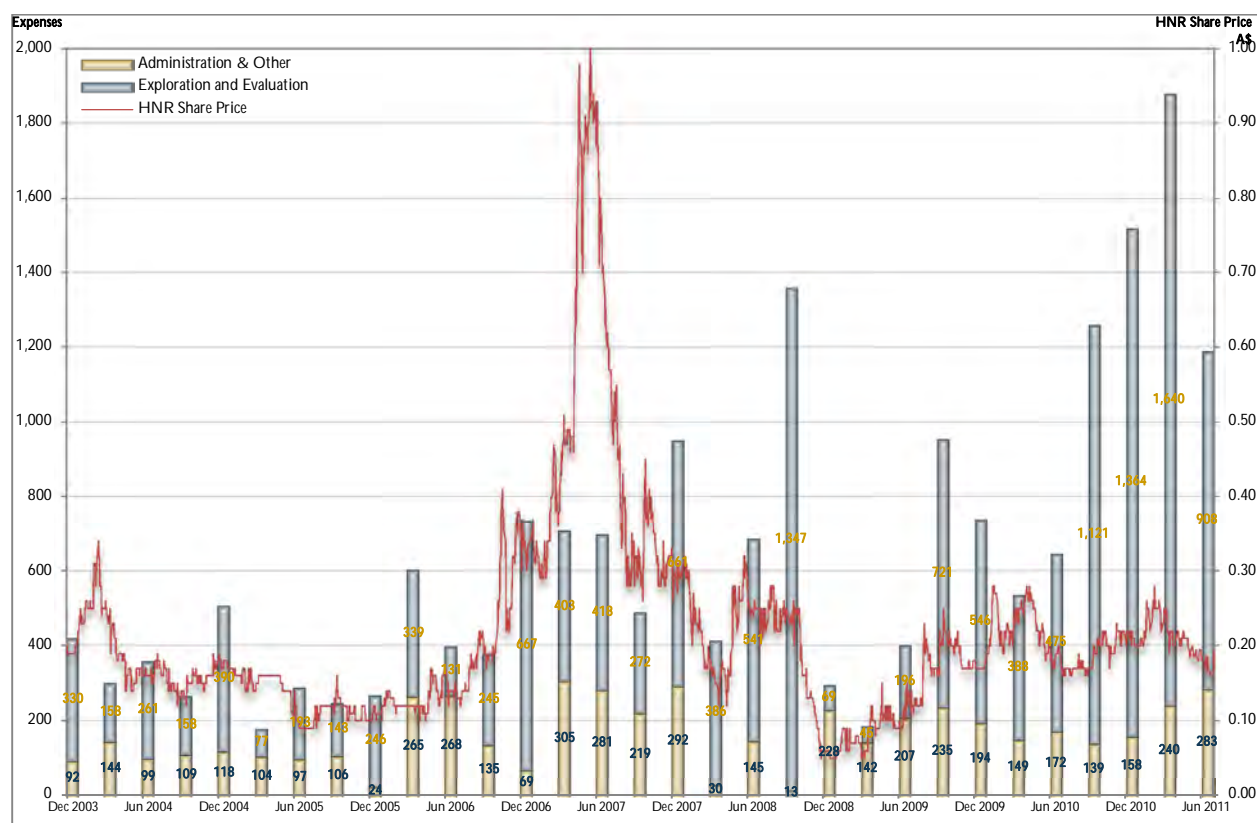
Schedule from Previous Qtr	Work Completed Current Qtr	Positive Results	Outstanding Activities from Previous Qtr	Schedule Coming Qtr
ERNEST PROSPECT (Au)				
§ Orientation geochemical surveys to the east of the Ernest prospect to assess the large gravity feature on the lake.	§ Historical data collation and validation completed.	§ Additional gold targets identified south-east of the Ernest prospect area.	§ Orientation geochemical sampling will not progress; decision to undertake aircore drilling on the lake instead.	§ Rehabilitation of RC drilling collars and pads. § Targeting for Au.
HARDCORE PROSPECT (Au)				
§ Final geological interpretation to be completed 2 nd Qtr 2011.	§ Historical data collation and validation completed.	§ All gold data has been validated with no significant errors found in the dataset.	§ Geological interpretation.	§ Data review and detailed geological interpretation. § Targeting for Au. § Rehabilitation of RC drilling collars and pads.
MT GORDON PROSPECT (Au)				
§ Geological interpretation to be completed 2 nd qtr 2011. § RC drilling during 3 rd Qtr 2011.	§ Infill soil sampling completed. § RC drilling designed. § Flora surveys commenced. § Geological interpretation in progress.	§ Four high priority gold anomalies defined. § Two coincident Ni plus Cu anomalies defined.	§ Geological interpretation.	§ Geological Interpretation. § RC percussion drilling to commence pending approvals.
MAGGIE HAYES SOUTH PROSPECT (Ni + Au)				
§ Surface TEM to commence 2 nd qtr 2011.	Nil.	Nil.	§ Surface TEM.	§ Surface TEM over the southern portion of the ultramafic unit. § Geological interpretation.

JIGALONG PROJECT (1,758 sq km's granted, 1215 sq km's application)

Schedule from Previous Qtr	Work Completed Current Qtr	Positive Results	Outstanding Activities from Previous Qtr	Schedule Coming Qtr
HILL 616 PROSPECT (Mn)				
§ Field mapping to be completed during 2 nd Qtr 2011. § Drilling at Hill 616 to be completed during 3 rd Qtr 2011.	§ Field mapping completed. § RC drilling program designed. § Heritage Notice submitted for Hill 616 drilling. § POW submitted for Hill 616 drilling.	§ Extensions to the Mn mineralisation identified, potential to increase the size of the Mn resource.	Nil.	§ Plan and implement drilling at Hill 616. § Field mapping of selected manganese target areas. § Zinc exploration strategy to be completed.
MANGANESE TARGETING				
§ Field mapping to be completed during 2 nd Qtr 2011.	§ Field mapping completed over the southern prospect areas. § Solid geology interpretation completed over the project area.	§ New high priority Mn prospect identified at Dead Camel.	§ Field reconnaissance and mapping on northern tenements.	§ Design and implement drilling program for Dead Camel. § Complete field mapping on northern tenements.
MUNDAROO (Zn)				
Nil.	§ Orientation soil sampling completed over Zinc prospect. § Samples collected from historical aircore drilling for petrological work.	Nil.	Nil.	§ Complete petrology. § Process soil sampling assays.

CASH EXPENDITURE & SHARE PRICE

(all quarters since ASX Listing)



EXPLORATION EXPENDITURE 2010/2011

	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Year-to-date	
	A\$	%	A\$	%	A\$	%	A\$	%	A\$	%
Geological activities	176,695	23.64%	231,981	16.62%	201,922	15.74%	192,001	24.32%	802,600	19.04%
Geochemical activities	100,910	13.50%	193,321	13.85%	143,428	11.18%	119,994	15.20%	557,653	13.23%
Geophysical activities	203,381	27.21%	65,909	4.72%	105,478	8.22%	144,483	18.30%	519,252	12.32%
Drilling	3,120	0.42%	571,986	40.98%	712,728	55.57%	46,022	5.83%	1,333,856	31.64%
Field Supplies	41,390	5.54%	152,301	10.91%	32,733	2.55%	54,935	6.96%	281,359	6.67%
Field camp and travel	43,907	5.87%	43,592	3.12%	29,644	2.31%	42,333	5.36%	159,476	3.78%
Environmental	4,200	0.56%	51,158	3.67%	2,640	0.21%	42,044	5.33%	100,043	2.37%
Rehabilitation	3,759	0.50%	15,889	1.14%	7,970	0.62%	11,117	1.41%	38,734	0.92%
Annual tenement rent	31,036	4.15%	30,583	2.19%	17,074	1.33%	86,962	11.02%	165,655	3.93%
Annual tenement rates	69,868	9.35%	18,547	1.33%	2,228	0.17%	1,729	0.22%	92,372	2.19%
Tenement administration	34,771	4.65%	12,242	0.88%	6,377	0.50%	17,872	2.26%	71,262	1.69%
Tenement application fees	34,477	4.61%	8,317	0.60%	8,595	0.67%	29,973	3.80%	81,361	1.93%
Penalty & exemption fees	—	0.00%	—	0.00%	11,806	0.92%	—	0.00%	11,806	0.28%
Total	747,513	100%	1,395,826	100%	1,282,625	100%	789,466	100%	4,215,429	100%
Cash Basis (Appendix 5B)	1,121,000		1,364,000		1,640,000		908,000		5,033,000	
Timing Difference	-373,487		31,826		-357,375		-118,534		-817,571	

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

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.

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: +61 400 296 547

HANNANS INVESTMENT MANAGEMENT

VALUATION OF EQUITIES					
COMPANY	TYPE	NUMBER	PRICE	VALUE	NOTES
AGO	FPO	6,401,334	3.73	23,876,976	
SCR	FPO	1,835,001	0.40	734,000	
Other	FPO	165,000	0.14 – 0.205	31,525	
SCR	Options (ex. 20c)	1,250,001	0.26	321,234	1
SCR	Options (ex. 40c)	500,000	0.19	94,715	2
SCR	Con Note (33c)	7,258,835	0.40	2,903,845	3,4
Theoretical Value of Equities				27,962,296	
Cash at Bank				738,750	
Total Equities and Cash				28,701,046	

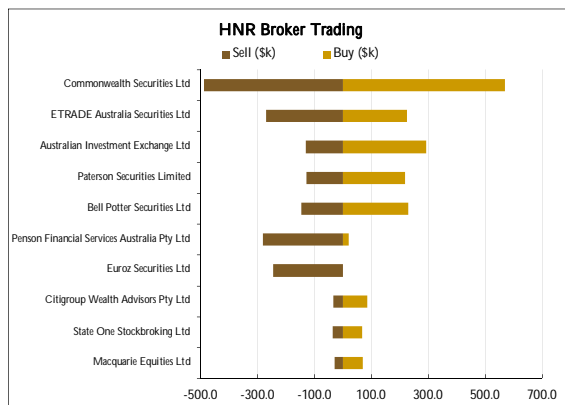
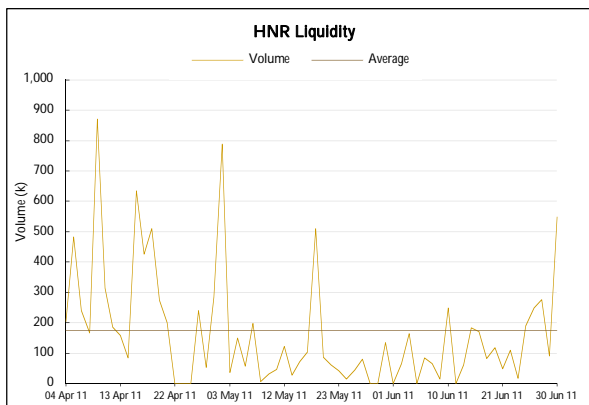
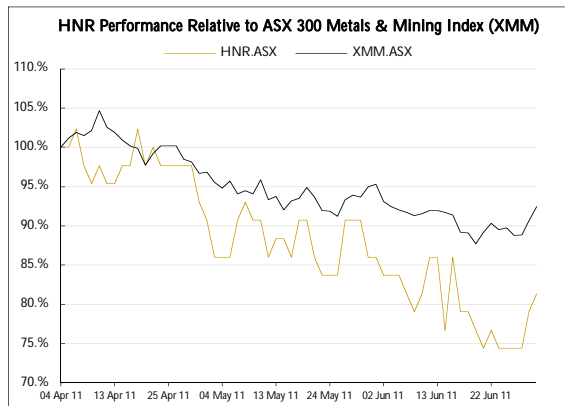
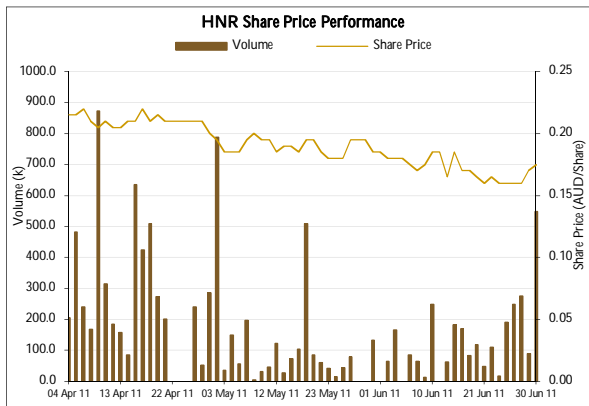
HANNANS REWARD LTD CAPITAL STRUCTURE				
TYPE	NUMBER	EXPIRY		NOTES
FPO	131,648,715			
Options (ex. 20c)	2,000,000	31-Jul-11		
Options (ex. 80c)	1,000,000	30-Jun-12		
Options (ex. 40c)	100,000	30-Jun-12		
Options (ex. 80c)	1,000,000	30-Jun-13		
Options (ex. 20c)	300,000	20-Jul 13		
Options (ex. 75c)	300,000	20-Jul 13		
Options (ex. 100c)	300,000	20-Jul 13		
Fully diluted FPO	133,948,715			
NTA per share			0.21	5

Notes

- 1 – Theoretical value calculated using BSOPM with 4.74% risk free rate, 100% volatility & 489 days to maturity as of 30 June 2011
- 2 – Theoretical value calculated using BSOPM with 4.74% risk free rate, 100% volatility & 534 days to maturity as of 30 June 2011
- 3 – Assumes 100% of amount currently drawn, converted into SCR at 33c
- 4 – Refer Financial Report for the Half Year Ended 31 Dec 2010
- 5 – Pre-tax (if payable) on a fully diluted basis

TOP 20 HOLDERS as of 30 June 2011

Rank	Name	Units	% of Units
1.	JP Morgan Nominees Australia Limited <Cash Income A/C>	11,173,023	8.49
2.	Marfield Pty Ltd	7,200,000	5.47
3.	Aust Global Resources Pty Ltd	3,636,363	2.76
4.	Acacia Investments Pty Ltd <DPH Fund A/C>	3,554,696	2.70
5.	Mossisberg Pty Ltd	2,296,296	1.74
6.	Dixon International Pty Ltd	2,075,720	1.58
7.	HSBC Custody Nominees (Australia) Limited	1,748,200	1.33
8.	Eric Preston Pty Ltd	1,700,000	1.29
9.	RBC Dexia Investor Services Australia Nominees Pty Limited <MLCI A/C>	1,668,989	1.27
10.	Kanaslex Pty Limited	1,548,296	1.18
11.	Mr Terrence Ronald Grammer	1,540,000	1.17
12.	Ms Susan Eileen Dechow	1,500,001	1.14
13.	Bonord Pty Ltd <CW Hulls & Co S/F A/C>	1,500,000	1.14
14.	Mr Terrence Ronald Grammer	1,500,000	1.14
15.	Susern Holdings Pty Ltd	1,500,000	1.14
16.	Jigalong Community INC/C	1,306,500	0.99
17.	Ms Mara Jane Rudd	1,217,002	0.92
18.	Nijinsky Corporation Pty Ltd <Nijinsky Retire Fund A/C>	1,200,600	0.91
19.	Mandies Meats Pty Ltd <Number 2 Account>	1,197,000	0.91
20.	Mr James Laurence Berry	1,170,000	0.89
Totals: Top 20 holders of ORDINARY SHARES (GROUPED)		50,232,686	38.16
Total Remaining Holders Balance		81,416,029	61.84





TRACTION SERVICES & CORPORATE MANAGEMENT

STRATEGY

- CBS revenue reduces Hannans' fixed cost
- CBS offers Hannans shareholders opportunities to access new offerings (e.g. Scandinavian Resources Ltd, Naracoota 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

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

CLIENTELE

- Hannans Reward Ltd
- Scandinavian Resources Ltd
- Scandinavian Resources AB
- Kiruna Iron AB
- Equity & Royalty Investments Ltd
- Naracoota Resources Ltd

For further information, contact our office at 08 9324 3388