



HANNANS REWARD

Exploring for Gold and Base Metals

ASX Announcement / Media Release

6 July 2011

JIGALONG PROJECT

Exploration Update

Fast Facts

ASX Code: HNR

Capital Structure

Shares on issue: 131.6m

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

Market cap: \$26.3m (at 20c)

Financial Position (at end of Quarter)

Value of Equity Positions &

Convertible Notes: \$28m

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

Highlights:

- Fieldwork targeting manganese mineralisation was recently completed over the Jigalong Project
- Hill 616 Prospect
 - Significant extension to manganese mineralisation identified
 - RC & diamond drilling planned for this Quarter to test extensions of mineralisation and collect samples for metallurgical test work
- Dead Camel Prospect
 - New high priority manganese target identified
 - RC drilling program planned to test prospect this field season
- Mundaroo Prospect
 - Orientation soil sampling program completed over zinc targets

Australian resources company Hannans Reward Ltd (ASX:HNR and Hannans) together with experienced manganese consultant Dr Joe Drake-Brockman, has recently completed extensive fieldwork over the 3,000km² Jigalong project area in the South-East Pilbara region of Western Australia (refer Location Map).

The core activities carried out during the visit included field checking manganese targets identified through aerial mapping, detailed geological mapping and rock chip sampling of surface manganese occurrences.

As a result of this fieldwork, the Dead Camel prospect has been identified as a new high priority drill target. Significant extensions to manganese mineralisation have also been mapped at the existing Hill 616 prospect and these zones will also be the subject of testing during the next phase of drilling in the area.

The field work has confirmed that there is extensive manganese mineralisation within the project area, and that its likely Hannans will outline sufficient manganese mineralisation from the next RC and diamond drill program to lodge a mineralisation report with the Department of Mines & Petroleum.

A combined RC and Diamond drilling program has been designed to test the new manganese target zones at the Hill 616 and Dead Camel prospects. Hill 616 will be tested initially with a planned 163 RC holes for approximately 4,500 metres. A further 12 Diamond holes will be drilled at Hill 616 for approximately 300 metres, with the resulting core to be used for metallurgical test work purposes. Hannans plan to begin this next phase of drilling at Hill 616 this Quarter, subject to the standard approvals being received. Details for the RC drilling at Dead Camel have not yet been finalised, but are being planned for completion prior to the closure of the field season in November.

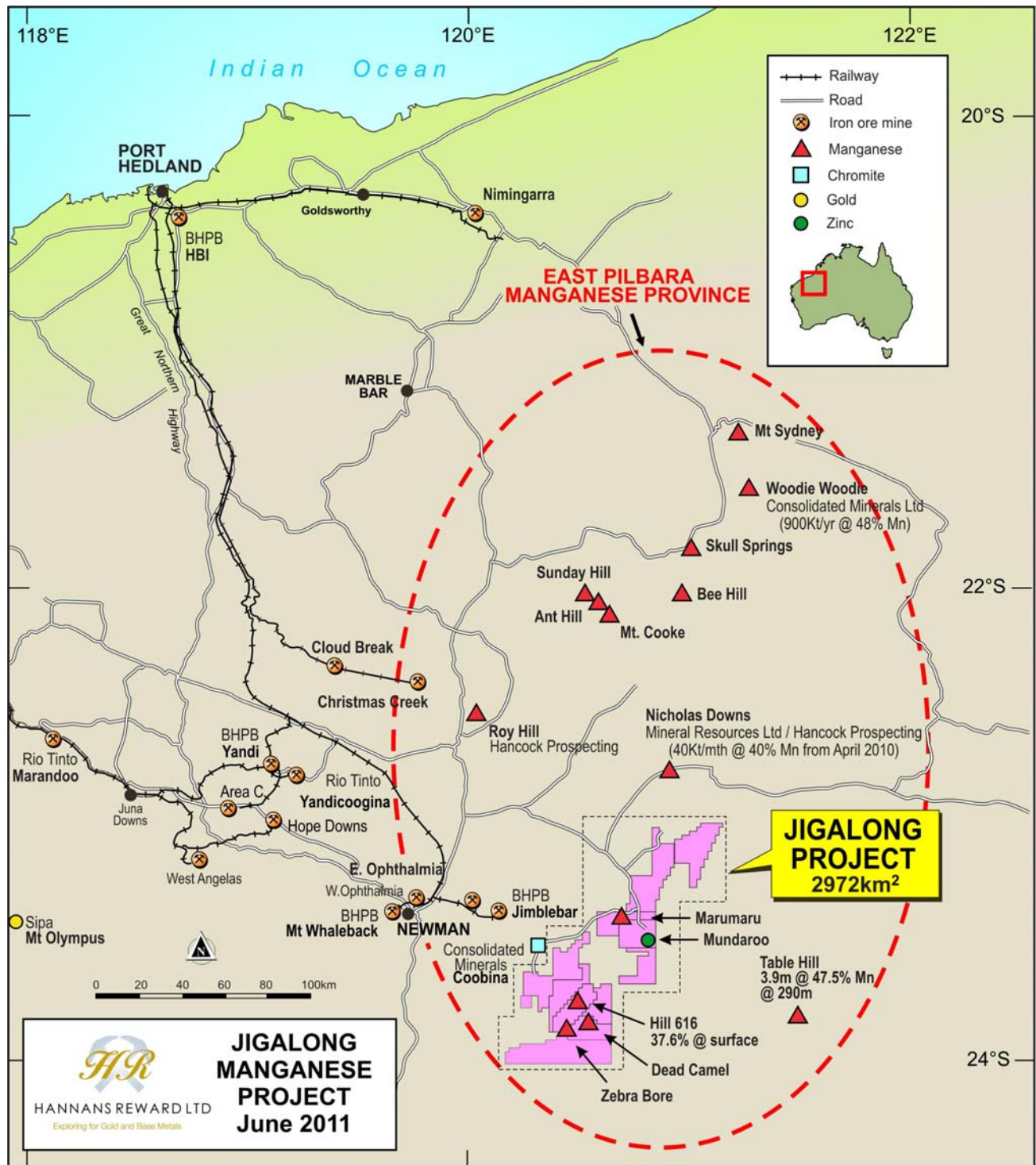
Interested parties should note that on 27 June 2011 Hannans announced plans to develop a new iron and manganese company with the foundation asset being the Jigalong Project. For further details please refer to that particular ASX release.

An orientation soil sampling program was also conducted at the Mundaroo Zinc prospect (refer Location Map). Shallow, broad spaced AC drilling conducted over the prospect in 2009 returned values as high as 1.6% zinc and 25g/t silver with many of the holes ending in mineralisation. The samples taken during the program have now been sent to ALS laboratories for assaying and results are expected this Quarter. 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.

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
- Jigalong – manganese & base metals project located 150km east of Newman, WA (proposed to be separated from the Hannans Group subject to shareholder approval)
- Queen Victoria Rocks - nickel and gold project located 30km south-west of Coolgardie, WA



Location Map: Jigalong Project

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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